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ANALYSIS OF THE EFFECT OF COLLABORATION AND PRODUCT INNOVATION ON BUSINESS PERFORMANCE THROUGH INFORMATION TECHNOLOGY ON MSMEs IN DKI JAKARTA

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ABSTRACT

This research is about the implementation of collaboration between the DKI Jakarta Provincial Government and Micro Enterprises, Small Businesses, and Cooperatives in order to succeed the National Movement of Pride in Made in Indonesia in the Implementation of Government Procurement of Goods/Services. This is because the use of domestic products in the government sector is still very low so that economic growth is not significant from year to year. Through DKI Jakarta Governor Instruction Number 48 of 2020 which was replaced by Governor Instruction Number 29 of 2021 concerning Direct Procurement Transactions with Micro and/or Small Businesses through the e-Order System, explained that the Head of BPPBJ provides an integrated system that facilitates transactions through the e-Order system, and urges Budget Users/Power of SKPD Budget Users/SKPD Units to directly procure meal activities and minimize meetings through the e-Order system. This application system is an innovative breakthrough from BPPBJ DKI Jakarta, as a forum to bridge the activities of purchasing MSME products (as providers) with DKI Jakarta Provincial Government institutions (SKPD) and make payments to micro and/or small businesses no more than 3 (three) working days, and the Commitment Making Officials (PPK) make procurement documents in the form of Terms of Reference (KAK), Self-Estimated prices (HPS) and specifications of goods/services through Micro and/or Small Business actors registered in the e-Order system, as well as receiving the work of Micro and/or Small Business providers.

INTRODUCTION

Through the Instruction of the Governor of DKI Jakarta Number 48 of 2020 which was replaced by Governor's Instruction Number 29 of 2021 concerning Direct Procurement Transactions with Businesses Micro and/or Small Businesses through the e-Order system, explained that the Head of BPPBJ provide an integrated system that facilitates transactions through the e-Order system, as well as urge Budget Users/Power of SKPD Budget Users/SKPD Units to do direct procurement of dining activities and minimal meetings through the e-Order system.

E-Order BPPBJ DKI Jakarta is the online marketplace of DKI Jakarta MSMEs, this application system is an innovative breakthrough from BPPBJ DKI Jakarta, as a forum to bridge MSME product purchase activities (as providers) with DKI Provincial Government institutions Jakarta (SKPD) and make payments to micro and/or small businesses no more from 3 (three) working days, and the Commitment Making Officers (KDP) make procurement documents in the form of Terms of Reference (KAK), Self-Estimated Prices (HPS) and specifications of goods/services through Micro and/or Small Business actors registered in the e-Order system, and receive the work of Micro and/or Small Business providers

The huge Regional Budget (APBD) of DKI Jakarta Province must be allocated absorption to the use of domestic products by 40%. In addition, the problem of server systems that are often down and websites that cannot be accessed for hours, slow internet connection access, lack of human resources in using and understanding electronic procurement applications and the complexity of SPJ (Letter of Accountability) administration are still problems in the implementation of collaboration through the e-Order application information system.

The growth of entrepreneurship and the creation of new industries are still limited to efforts to meet local consumption needs or the environment in which the business is located. In business, the condition of small businesses is still relatively weak, the condition of MSMEs is caused by their limitations. Based on the problems raised, the author is interested in conducting research entitled "Analysis of the Effect of Collaboration and Product Innovation on Business Performance through Information Technology in Micro, Small and Medium Enterprises in DKI Jakarta Province.

LITERATURE REVIEW

a) "The Role of MSMEs in the Indonesian Economy" (M. Rakhmat Siregar, 2017) This study discusses the important role of MSMEs in the Indonesian economy, including the contribution of MSMEs to job creation, economic growth, and economic diversification. This research also discusses the challenges faced by MSMEs and efforts that can be made to improve the performance of MSMEs in Jakarta.

b) "Factors Influencing the Success of MSMEs" (Aditya Wardhana, 2020) This study examines factors that influence the success of MSMEs, including internal factors such as managerial skills, product quality, and finance, as well

as external factors such as government support and market competition. This research provides recommendations to improve the performance of MSMEs through the development of managerial and marketing skills, as well as increasing access to capital and government support.

c) The Government's attitude towards the economy going forward. The government has also prepared a number of key policies in mitigating various risks of potential global economic crisis. The main policies taken by the Government in the short term are strengthening the domestic market and consumption of domestic products and maintaining people's purchasing power through inflation control. In the medium to long term, the Government is committed to carrying out economic transformation to increase investment, boost human resource productivity, and absorb labor through the implementation of the Job Creation Law.

d) "MSME Marketing Strategy in the Digital Era" (Muhammad Firdaus, 2021) This study discusses MSME marketing strategies in the digital era, including the use of social media, websites, and online marketplaces. This research provides recommendations for MSMEs to improve digital marketing skills and utilize online platforms to increase sales and expand the market.

Thinking Framework

a) MSMEs can be seen as businesses that need to be run with the same approach as big businesses, such as strategic planning, financial management, marketing, product and service development, human resource management, and the use of technology.

b) MSMEs have an important role in economic growth because they can provide employment, increase people's income, and encourage other business growth.

c) factors that can support the success of MSMEs, such as entrepreneur skills, access to capital and credit, access to markets and technology, and support from government and society.

d) MSMEs also face several challenges, such as lack of capital, lack of access to markets, fierce competition, technological changes, and complex regulations.

e) MSMEs also have social and environmental impacts that can be positive or negative, such as creating local jobs, reducing poverty, or increasing carbon emissions. Therefore, it is important to pay attention to the impact of MSME business on society and the environment.

HYPOTHESIS

- MSMEs that use information and communication technology (ICT) effectively will have better performance than MSMEs that do not use ICT. Because of readiness to receive orders and fast response in serving consumersipotesis.

- MSMEs that carry out sustainable and environmentally friendly business practices will have a better reputation and win the hearts of more consumers. Because the government promotes the reduction of plastic packaging.
- Social capital, such as support from family, friends, and business networks, will help MSMEs overcome challenges and improve their business performance. MSMEs that are provided with guidance have access to the local government market.
- Public policies that support MSME development, such as accessible financing and access to larger markets, will increase MSME growth and its contribution to the economy. The DKI Regional Government conducts close food and drink orders to assisted MSMEs.

METHODOLOGY

The method used in conducting this research is a survey method with explanatory research. This explanatory survey method is a research method used to describe and determine the causality relationship between the variables studied by collecting data from certain places. Using this survey method, researchers make observations to obtain an overview of two or more variables, namely the variable Implementation of Domestic Product Use Policy (P3DN) in the online market of MSME e-Order DKI Jakarta Province on the Growth and Development of MSMEs.

The approach that researchers will use in this study is quantitative. Quantitative research can build a strategy where in this study think more deductively by using analytical data derived through hypothesis testing and then tested into the field and finally given conclusions about the research. The reason researchers use a quantitative approach is based on this study which will see the Effect of Collaboration and Product Innovation on the Business Performance of MSMEs in DKI Jakarta Province through Information Technology.

RESEARCH LOCATION

- Office of PPKUKM, Trade Industry, Small and Medium Enterprises Cooperative of DKI Jakarta Province.
- Regional Equipment Work Unit (SKPD) as MSME consumers in Jakarta that have assisted MSMEs
- DKI Jakarta Provincial Procurement Service Agency as an organization that bridges cooperation between MSMEs and the DKI Jakarta Provincial Government
- Assisted Location (Lokbin) where assisted MSMEs market their goods and services in DKI Jakarta Province

Data Collection and Processing Techniques

The sources of research data used in this study are primary data sources and secondary data sources. A primary data source is a data source that directly provides data to the data collector. The primary data source in this study was obtained directly from MSMEs, while the data collection technique uses.

- Conduct online surveys using platforms such as Google Forms
- Conduct direct interviews with MSME owners
- Direct observation of MSME operational activities
- Data collection from online transaction systems

RESULT AND DISCUSSION

Results and discussion of research on Analysis of the Effect of Collaboration and Product Innovation on Business Performance through Information Technology in MSMEs in DKI Jakarta. Based on questionnaire results and data analysis :

RESULT

Increasing information system socialization to assisted MSMEs in DKI Jakarta Province. Socialization and training provided by the Department of Industry, Trade, Cooperatives, Small and Medium Enterprises, make the development of communication and information network facilities diverse. By using an internet network that can connecting one device with another makes the E Order system as a means relied on by MSMEs in the era of sophistication of communication and information facilities now.

Creating a forum (online market) for assisted MSMEs.

In the procurement service of goods through e-order in DKI Jakarta which is applied by the DKI Jakarta Provincial Government, basically this program aims to increase transparency and accountability, increase market access and competition healthy business, improve the efficiency of the procurement process and support the process monitoring and auditing, and meeting the need for real time access to information, on The concept of transformation which is the change from a form to other forms. The transformation in this study consists of the transmission of changes conventional procurement policy of goods and services becomes the procurement of goods and Electronic Services.

Designing an information system in the form of a sales transaction application between MSMEs and the DKI Jakarta Government.

Communication plays a very important role in the success of a policy including electronic procurement policies for goods/services. As stated by Edward III that "his policy decisions and orders shall be passed on to the person who precise and communicated clearly and accurately so that it can be understood quickly by executor". Edward III further revealed that several

things were driving the occurrence of inconsistent communication and causing adverse effects on Policy implementation, including transmission carried out, level of consistency, and the level of clarity of communication.

Realizing the DKI Jakarta Provincial Government Budget for MSMEs in DKI Jakarta.

With collaboration using information technology implemented in the E-Order application system, the DKI Jakarta Regional Budget can be significantly absorbed for MSMEs in Jakarta.

DISCUSSION

The existence of this policy is a manifestation of the efforts of the DKI Jakarta Provincial government to increase the participation of MSMEs in increasing the role of national business actors. And Because the need for goods and services that are ensured every year will occur, every Regional Apparatus Organization, where every new budget year is always held direct procurement of goods and services. In various matters of procurement of goods and services experiencing a very advanced development that demands abilities that can Relied upon both individually and as a procurement organizing institution goods and services. Thus it can be seen that the procurement of goods and services are indeed aims to bring transparency and accountability by utilizing the media electronic or technological, as well as in terms of time and material can be utilized as efficiently and as effective as possible.

MSME Sustainability: The role of MSMEs in the economy is very important, but further research needs to be done on how to maintain MSME sustainability, such as how to increase MSME competitiveness, reduce production costs, and increase access to markets ? The Provincial Government (Pemprov) of the Special Capital Region (DKI) Jakarta through the Office of Industry, Trade, Cooperatives, Small and Medium Enterprises (DPPKUKM) encourages development and coaching for MSMEs through training and education programs by presenting experts and professionals in the fields of financial management, operational management and marketing strategy. To overcome capital constraints, the DKI Jakarta Provincial Government has provided MSMEs access to financial resources such as small business loans, cooperatives, or microloan programs as has been done in collaboration with Bank DKI. This helps MSMEs to overcome financial problems and finance business expansion.

Implementation of government policies towards MSMEs: The government often provides various policies and programs to support the development of MSMEs. However, it still needs to be examined how the implementation of the policy and the extent to which the policy is effective in improving the performance of MSMEs? With the enactment of various policies and regulations by the DKI Jakarta Provincial government that has provided basic infrastructure and facilities that support MSMEs, including access to markets so that they can collaborate with large retail stores, restaurants, hotels, and other business sectors that can become potential customers.

The influence of innovation on MSME growth: Innovation is an important key in increasing the competitiveness and growth of MSMEs. Therefore, it is necessary to further investigate how innovation can affect the growth of MSMEs, such as increasing productivity, sales, and market acceptance? The emergence of the industrial era 4.0 is marked by the use of information and communication technology. The DKI Jakarta Government through the DKI Jakarta Provincial Procurement Service Agency has created an E-Order application system to facilitate MSME entrepreneurs to promote their products online. Digital technology information system innovation can improve MSME marketing for the better, which they initially did simply to become modern or digital. The growth of digital technology allows MSME entrepreneurs to promote their products online or online and make payments through the online banking system as well or e-money. The existence of the 4.0 era has led to the presence of a new form of promotion, namely digital marketing.

CONCLUSION

Based on the results of research and discussions that have been carried out on the analysis of the influence of collaboration and product innovation on business performance through information technology in MSMEs in DKI Jakarta Province, it can be concluded that:

- a) The implementation of collaborative innovation on MSME performance through e-Order, based on the results of this study, first according to the level of compliance of the South Jakarta City Administration Government in carrying out the implementation of this policy has been successful in accordance with the achievement of the predetermined transaction target, which is 30 percent of transactions in one fiscal year. Meanwhile, according to the performance perspective, namely human resources and network resources or systems greatly affect the course of the implementation process of this policy, the performance of good procurement implementers needs support from improving a good system network so that indicators of success in policy implementation create what is called optimization of policy performance.
- b) Obstacles to the implementation of electronic innovation collaboration are relatively no significant obstacles; these obstacles are more technical matters. Such as budget efficiency for regional strategic activities, while server repair (system maintenance) is an obligation in order to accommodate more incoming data. And what needs to be sharpened is so that the management of the procurement of goods/services is greater utilized in sectors that are directly related to the public services needed, so that it has a real impact on excellent public services and has an impact on public trust in eOrder.
- c) Solutions to obstacles to budget realization related to payment of direct procurement transactions with MSMEs in DKI Jakarta Province, The need for strong communication and cooperation between the Executive and Legislature in DKI Jakarta Province to realize effective and efficient governance to improve government performance and public services, it is necessary to simplify bureaucracy through simplification of SPJ, Delegation of overlapping tasks, and adjustment of work systems to create a dynamic, agile,

and professional bureaucracy, a working mechanism is needed between High Leadership Positions, Administrative Positions, and Functional Positions within government agencies.

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