A BIG PUSH TO A WORLD-CLASS TOURISM: STRATEGIC ANALYSIS & OPPORTUNITIES

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A BIG PUSH TO A WORLD-CLASS TOURISM: STRATEGIC ANALYSIS & OPPORTUNITIES

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FOREWORD

We are delighted to welcome you to 14th International Symposium on Management (INSYMA) Tanjung Pinang, Riau, Indonesia. The high quality of the papers and the discussion represent the thinking and experience of researchers, academics and practitioners in the particular fields. Their contributions helped to make the conference as outstanding as it has been.

This proceeding is a compilation of papers submitted for the 14th International Symposium on Management (INSYMA) conducted by the Department of Management, the Faculty of Business and Economics, University of Surabaya (UBAYA) themed “A BIG PUSH TO WORLD-CLASS TOURISM: STRATEGIC ANALYSIS AND OPPORTUNITIES”. The conference organizers have put together both the latest research and provide an opportunity to make friendship and new acquaintances.

The 14th INSYMA is a means for participants consisting of researchers, academics and practitioners to have a discussion forum. The event is expected to enable participants in sharing initiatives, ideas and efforts from the results of research and discussion concerning how to create a Big Push in a strategy to deal with all the challenges and find opportunities in the tourism industry of each country to be a world-class tourism.

In this opportunity, we would like to say that we are greatly honored by all presenters and participants’ presence both from Indonesia and from other country. We would like to share our grateful to the Sponsorship and partnership in this 14th INSYMA.

This theme represents strategic analysis and opportunities of implementation that will extend far beyond the sector, as tourism enhances province’s reputation as a premier destination to visit, invest, work–live, and integration with the global community. The strength of tourism destination product will be counted and will continue to find ways how economic integration in tourism
sector can achieve the sustainability of: growth of economic, prosperity and welfare to all countries.

Finally, we would like to thank the researchers for their willingness to share their research and ideas. Without their efforts, this proceeding would not possible. The committees and editors deserve special thanks for their outstanding effort in reviewing and preparing the event and manuscripts for publication. We hope that this compilation of papers can enrich our perspective in Tourism strategic analysis and opportunities.

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Abstract
Indonesia, a nation with high population, unfortunately has less than 2% entrepreneurs. The condition makes government motivates universities to develop their students’ entrepreneurship capacity building. Indeed, Politeknik Ubaya has high commitment on developing students’ entrepreneurship skill as well as knowledge. Furthermore, Politeknik Ubaya provides Student Business Centre as a place for students to apply their entrepreneurship skill and a little amount of capital to develop the business project. Hopefully students will be able to maximize their entrepreneurship capacity. However, the fact on the students’ process and result was on the way round. It didn’t run as well as expected. This paper will describe about students’ challenges in maximizing their entrepreneurship capacity at Students Business Centre as well as the suggested solution.

Keywords: student, entrepreneurship capacity building, entrepreneur
Students' Challenges in Maximizing Entrepreneurship Capacity

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Research Background

Data launched by Global Entrepreneurship Monitor (GEM) in March 2016 showed that Indonesia has only 1.65% entrepreneurs from the total of 250 million of Indonesian citizens (Kompas, 2016). The amount is far below other ASEAN country, Singapore has 7% entrepreneurs, Malaysia 5%, Thailand 3%. Meanwhile in developed country as United States of America and Japan, the amount of entrepreneurs are more than 10% of the population. Indonesian government considers the number of 1.65% is low and need to be improved. Indeed, in 1997 Indonesian Directorate of Higher Education run a program that entrepreneurship must be taught as a subject/ course in university.

Politeknik Ubaya, as a university which has high concern on entrepreneurship program, not only teach entrepreneurship subject for its students but also provides a booth namely Student Business Centre and soft loan as capital. SBC is offered for students who have passions in entrepreneurship. Hopefully it can facilitate students to have best practice in developing their entrepreneurship knowledge and skill. Therefore, the writer wants to seek the challenges that students faces in developing their entrepreneurship capacity.

Literature Review
A. Entrepreneurship

Entrepreneurship, according to Hisrich (2002) is "the process of creating something different with value by devoting the necessary time and effort, assuming the accompanying financial, psychological and social risk; and receiving the resulting rewards of monetary and personal satisfaction." Here we can see that an entrepreneur needs to create value and in order to
do that they need to spend time and energy. It is not just a matter of offering something to customers but more to offer something with value.

The University of Ohio (Kurya, 2006) explained entrepreneurship as “the process of identifying, developing, and bringing a vision to life. The vision may be an innovative idea, an opportunity, or simply a better way to do something. The end result of this process is the creation of a new venture, formed under conditions of risk and considerable uncertainty.” Entrepreneurship is transforming opportunity, idea in a creative, innovative way. It is about to make happen what in your mind is.

Akhuemoukhank (2005) in Eze (2012) said that entrepreneurship education change people attitudes and beliefs and equip them with the skills to plan, launch and manage their own business. Eze (2011) emphasized that “entrepreneurship education therefore is a process of changing people’s mindset towards applying creative thinking and innovative approach to solve identifiable problems, or improving systems in which they find themselves.” Entrepreneurship education hopefully can change students’ mindset and prepare them with necessary knowledge and skill to run their own business.

B. Capacity building

Capacity building according to Azikiwe (2006) in Nwazor (2012) is “the process by which an individual, irrespective of sex, are equipped with skills and knowledge they need to perform effectively and efficiently in their different calling.” While UNDP (2003) described capacity building to cover human resources development and the strengthening of managerial systems, institutional development that involves community participation and creation of an enabling environment.

Hopefully, by capacity building, students will enable to start and then run their business since they are already trained about the skill and knowledge on entrepreneurship.

Research Methods

The author use qualitative descriptive method by doing observation and deep interview with the students who run student business centre (SBC). Thus, the author will have the description about the condition as well as the challenges they faced in running SBC. Then the author triangulates the data with SBC report and also some interview with teachers and related parties to have opinion about SBC.

Result & Discussion

A. Student Business Centre (SBC)

SBC, which has been running for about three years, is a facility in the form of a booth provided by Politeknik Ubaya for a group of students who have passions on entrepreneurship and want to practice their skill in the real condition. At first, the students must propose proposal what they are going to run in the SBC. Mostly, the groups who proposed are ones who have already got entrepreneurship subject. Then, the very first selected group was given some amount of money as capital. They usually spend the capital for raw material and equipment. In the process, students must retain some of the profit until it reaches the same amount of the capital. At the end of semester, they may get some amount of the profit for their earnings. Furthermore, the group
who run it usually change every six months since the students had to do apprenticeship program at a company to finish their study.

So far, there are six groups who run SBC. Most of them run the business by selling food and beverage. They offer breakfast, lunch package, burger, snacks, instant noodle, instant coffee, milk etc. Their menu varies from one group to another. SBC also cooperates with PT Sinar Sosro which lends a fridge and supply mineral water and many variation of tea (bottle and box) Politeknik Ubaya hopes that through SBC, students can develop and explore their competence on entrepreneurship, and the most is having experience to be real entrepreneurs.

Challenges
Actually there are many students who sell goods to their friends. The commodities are varies, from snack, beverage, fashions, cosmetics, simcard / top up credit for mobile, etc. Indeed they just do it mouth to mouth, to their friends only, no innovation on the goods or the way they market goods. Students do it for fun, short time period, for pocket money. This typical ways of doing business, happen in SBC. From the observation and deep interview with the group who run SBC, the writer also finds the following conditions:

1. Lack of understanding of a business plan / business model canvas
   Most groups run SBC in the way of “just do it”. Actually they have learned business plan / business model canvas in entrepreneurship subject but when they face real condition of running SBC, it seems that they neglect it. The things that most groups miss are:
   
   a. Value propositions
      The groups tend to sell popular product since they want to minimize the risk of not being sold. At first, it was sold out. Later, customers start to get bored. Thus, the sales decrease. Then the groups try change to other product and also sell various products. The point is they need to survey what the market need and then offer something different / something new / modify the product / the service so that customers will make repeat orders. They must give value to what they offer so customers will like it.

   b. Channels
      The groups sell the product directly when customers come to the booth. Meanwhile, the groups only open SBC during class break and after class finished. There is only one group who use social media for customers to order the goods even one day before. Other groups must find alternative ways to gain orders since they have constraints of opening time of SBC due to they can’t open SBC during class. At least they can continue the successful channel that their senior ever did.

   c. Customer relationship
      The groups need to find something new or innovative to keep customers loyalty. At least they need to coordinate with the previous group to keep the best practice and no need to start over again every time when the group who run SBC changed.

   d. Human capital
The group tends to choose their close friend without considering the job description needed to run the business. Therefore, every group is lack of good administration / management.

e. Revenue streams
The revenue mostly comes from selling. Actually there are many other students who sell goods. Indeed, it is good opportunity to generate money from consignment. SBC can also be snack supplier for Politeknik Ubaya meeting. Those ideas have been told to them, but no follow up action.

2. Lack of exposure to small business enterprise
Students need to have a visit to small business enterprise to understand real condition and broaden their skill and experience about business, how to start, run, cope the problem and the most important is how to be sustain in the business. Thus, it can motivate them whatever problem they face. So far, when the profit decrease / when their GPA decrease / when they have a lot of assignment, the group will be able to keep their motivation.

3. No community / peer group that students can discuss / share about entrepreneurship
The existing group usually shares their knowledge, skill, experience and problem within members since there is no community to share. The groups are advised by a lecture who coach SBC. The activity/program as the result of discussion with the advisor, sometimes were not implemented by the groups. Furthermore, if there is friction among member of the groups, it leads to worse condition since there will be no discussion in the groups. Certain group on entrepreneurship with open members with all students who have passions on it, surely will motivate the members, as a place to share best practice, experience and may avoid what went wrong.

Solutions
In order to respond to those challenges and maximize the students capacity building on entrepreneurship, the writer seek the idea with related teachers, and find the following ideas:
1. The institution should create entrepreneurship community/ group for students / alumni as a place for students to share business idea, best practice as well as problems. The existence of community hopefully will be able to motivate students to develop their skill and knowledge on entrepreneurship.
2. The institution should give necessary training / workshop on entrepreneurship on the basis of the need of students group of entrepreneurship’s need. The training hopefully makes students understand more on the practice of entrepreneurship.
3. The institution should take students to visit to small / medium business to observe the real world of daily business activity.

Conclusion
The entrepreneurship subject that is taught in the class and the existence of SBC as a place for students to practice their business idea, unfortunately aren’t enough to maximize students’ entrepreneurship capacity. There are some challenges found: lack of understanding of a business plan / business model canvas in implementing the business idea, lack of exposure to small
business enterprise, no community/peer group that students can discuss/share about entrepreneurship. Thus, the solutions proposed to answer the challenges are that the institution should create entrepreneurship community/group, give necessary training/workshop, take students to visit to small/medium business.

References