Business Clinic Program Analysis on Increasing the Income of Small Entrepreneurs in Tebing Tinggi

M. Umar Maya Putra and Windy Aginta

Department of Management, Universitas Al Azhar, Jl. Pintu Air IV No. 214, Medan, Sumatera Utara, Indonesia, 20142

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Abstract: The research originated from the concept of innovation carried out by MSMEs (Micro, Small and Medium Enterprises) which was determined by the quality of human capital and the relationship between the government and the world of education in the business world. Quality Human Resources (HR) can be the best solution for managing a business through a business plan fostered by the government in Tebing Tinggi City. It aims to analyze the opportunities of the programs that have been implemented in the form of entrepreneurship training, business capital assistance, roadshow study tours and marketing through business exhibitions as the dependent variables in increasing the income guided by the Business Clinic (KLIBI) Tebing Tinggi. The method used is Descriptive and quantitative one used to analyze and describe the data that has been collected. Probit Model gives the result in the opportunities of training and marketing through exhibition as the significant factors as well as capital and tour study for the insignificant factors. Its journey can give the high impact in the business factor and location empowerment for its MSMEs in Tebing Tinggi.

1 INTRODUCTION

Tebing Tinggi is dominated as majority by settlements (53.32%) followed by agriculture (29.66%). This condition provides a potential for housing development. However, this area has also considerable for other sectors such as small industry (https://tebingtinggikota.bps.go.id, 2017). The progess of small industry can be the alternative to make the best business factor in making the best local empowerment.

If we study the MSMEs movement in making the improvement in the local area, the entrepreneurship training is to set to make the empowerment, then the skillful attitudes can create the dependence in absorb the job seeker in private sector as the government program for citizen, especially in terms of financial ability to get the victory movement in the sustainable business (Syarifah & Putra, 2017).

Tebing Tinggi had the business clinic called Klinik Bisnis (KLIBI) Tebing Tinggi, which had been made by the government program as well as the university research for business. It had the best program from 2013 to 2015 to make the business breakthrough in making the best result for Asean Free Trade Are that combined the business actors around Tebing Tinggi to make the good mentality business.

Business education can make the good mentality and local wisdom culture. It has the research performance in improving the MSMEs to make the best result in social economic strength and get many absorbtion for the job seekers. The area community will be got into the qualified product with comprehensive research (Bati,*et al,* 2018).

As the Good mentality in the business area, it make the local landscape. The citizens will be created not only to consume but also produce the product based on the talent ability. They will get the best performace in making the best abilty in technology in getting the mileneal consumers.

A good approachment in empowering them will get the young generation need. They presented with innovative products with social media such as youtube, instragram, facebook and etc that can get them in a whole day selling with the efficient cash out (Malawat & Putra, 2019).

Based on data explained with rapid development of the trade sector in Tebing Tinggi City, researchers are interested in taking some indicators to consider the income of MSMEs in Tebing Tinggi City from the Program implemented the Business Clinic Tebing Tinggi so the we take the title "Business Clinic Program Analysis On Increasing The Income Of Small Entrepreneurs In Tebing Tinggi ". The main

issues that will be analyzed are the extent to which the KLIBI Tebing Tinggi Program is developing to create the high income probablity for MSMEs.

2 LITERATURE REVIEW

2.1 Business Factor

The level of risk of work in the MSMEs is greater than other industries which require employees to have a high focus of their safety and need to make their own stategy in business (Siagian & Putra, 2019).

The growth of MSMEs in the past monetary crisis, has no effect of large ones especially about exports focus. They get difficulty in competing in reasonable economic conditions. It can be seen from 2007 to 2011 although there is an increase of export amount is less result, They are important to face the business level of the development in facing the globalization era (Dilham & Putra, 2017).

Business ethics is necessary in getting many customers. They will give the business result to as the need for a best based on Research and Development (R & D) program continuously so that it can develop well in running the community (Wahyuni & Putra, 2017).

There is a probabilty for human capital has a significant factor the make the best target in corporation. It is important to map the feasibility study in order to be suitable in making their business impact (Malawat & Putra, 2018).

2.2 Location Empowerment

Realizing the best target of the company that can be connected with the local people who later also improved to the location prosperity. The main focus is to make the MSMEs elements to improve the process of community approachment (Putra & Ami, 2017).

The role of university approachment in community, it can improve a social economic condition that can empower the region strength. With the information obtained programmatically, that some things for socioeconomic mapping has decision- programmed with the structure of society (Dilham & Putra, 2016).

The creative business start ups are necessary in making the best capacity in making the economic growth. The action in mapping the research and development (R&D) about creating the new product, will improve the employment productivity during the

best movement the newest firms in the local area (Stam & Wennberg, 2009).

A strategy for making the best workforce to drive best target for the corporates has become a best activity. Firms will make the breakthrough approachment. Human capital feasibilty mapping programmes not only getting the best business targets but the best result for the sustainable action (Maran, et al, 2009).

3 METHOD

The population was taken for KLIBI-assisted MSMEs in Tebing Tinggi as many as 221 assisted MSMEs began from 2012 to 2017. For the sample, the researchers selected MSMEs samples based on considerations believed in purpusive ones to represent all units analysis of their activities in conducting business supervision/mentoring in improving entrepreneurship education, borrowing funds by getting closer to the state-owned enterprises as well as directed entrepreneurial exhibitions so that the researchers set 100 MSMEs.

The data used is primary one from the results of questionnaires and interviews related to all variables of MSMEs in Tebing Tinggi, while the secondary one is obtained from the general description of the results of library studies used as supporting theories relevant to the research. Descriptive analysis method is used by analyzing what has been collected to be able to be described to to see the truth as general generalization.

The quantitave analysis is used with the probit model based on the assumption that the dependent variable studied follows the normal cumulative distribution of the normal cumulative distribution function. It is a probability unit make the normal probability distribution. The form of the probit model is

$$Y = \beta j_0 + \beta j_1 X_{I1} + \beta j_2 X_{I2} + \beta j_3 X_{I3} + \beta j_4 X_{I3} + e$$

The parameter estimation method used for its regression analysis is the same as that used by logistic regression analysis using e-views 4 which can be translated: increased msmes income

$$\textbf{MSMEs Income} = \beta j_0 + \beta j_1 \textbf{Training} + \beta j_2 \textbf{Capital} + \beta j_3 \textbf{Tour Roadshow Study} + \beta j_4 \textbf{Marketing} + e$$

The hypotesis test that can be explained such as:
1. The Goodness Of Fit test used the likelihood Ratio (LR) statistics test, which is a statistical test that tested the combined hypothesis of all slopes that

the magnitude is all zero except for the constant of the results.
2. The Z test to test partially with alpha 5% (005) where the probability. (Z Statistic) < alpha, there are significant results but probability (Z Statistic) > from alpha level, then there are no significant result of the independent variable on the dependent variable.
3. McFadden Determination Coefficient (R^2) is to measure how far the ability of the model can explain the dependent variable by calculating the coefficient with a value of $0 < R^2 < 1$.

4 RESULTS AND DISCUSSION

4.1 Descriptive Analysis

KLIBI Tebing Tinggi is an entrepreneurship coaching clinic as a solution for all MSMEs in Tebing City that have problems in increasing it. A union among MSMEs, the government and other external parties is needed to be able to increase the market share to lead the competition. It was a formation initiated by the Mayor of Tebing Tinggi Bpk. Mr. Ir. Umar Zein Hasibuan with the collaboration was formed between Trade Service Officer in Tebing Tinggi as well as the Faculty of Economics and Business, University of Sumatra in 2013. It is expected to be able to provide a new repertoire in the quality of product, packaging, and marketing until the concept of online trading is made which presents the superior product of Tebing Tinggi.

Its Journey is effectively run from 2013 to 2015 with collaboration with Faculty of Economics and Business, University of Sumatra. In 2016 until 2017, It is run autonomously by the trade service of Tebing Tinggi.

4.2 Quantitative Analysis through Probit Model

The programs are carried out by KLIBI to develop its members through training on MSMEs incorporated such as Business Training in all modern aspects until later they will visit culinary tours in other cities to see, feel and assess, how all marketing concepts are made in the city so that it can provide inspiration to improve business innovation. The partnership pattern will be formed through collaborative activities between entrepreneurs who have been successful in doing business and also other entrepreneurs who want to collaborate with entrepreneurs in Tebing Tinggi as

many as 100 assisted focus and give the probit result is :

MSMEs Income = -13,5961 + 0,901843Training + 0,139481Capital + 0,172254Tour Roadshow Study + 1,069491βj_4Marketing + e

Table 1. Probit Model Analysis Results From E Views 10

Dependent Variable: msmesincome
Method: ML - Binary Probit (Newton-Raphson / Marquardt steps)
Date: 06/16/19   Time: 23:27
Sample: 1 100
Included observations: 100
Convergence achieved after 7 iterations
Coefficient covariance computed using observed Hessian

Variable	Coefficient	Std. Error	z-Statistic	Prob.
training	0.901843	0.448076	2.012701	0.0441
capital	0.139481	0.148511	0.939200	0.3476
tourstudy	0.172255	0.188470	0.913962	0.3607
marketing	1.069491	0.377939	2.829800	0.0047
C	-13.59617	4.882171	-2.784861	0.0054

McFadden R-squared	0.600503	Mean dependent var	0.930000
S.D. dependent var	0.256432	S.E. of regression	0.170650
Akaike info criterion	0.302656	Sum squared resid	2.766537
Schwarz criterion	0.432914	Log likelihood	-10.13280
Hannan-Quinn criter.	0.355374	Deviance	20.26559
Restr. deviance	50.72779	Restr. log likelihood	-25.36389
LR statistic	30.46220	Avg. log likelihood	-0.101328
Prob(LR statistic)	0.000004		

Obs with Dep=0	7	Total obs	100
Obs with Dep=1	93		

The model estimation results in the table obtained LR Statistic of 30.46220 with the goodness of fit or probability (LR Statistic) of 0.000004. It infomed that that the independent variables are among training, capital, tourstudy and marketing affected the dependent one that is MSMEs income.

From the results of Partial Z test explained that independent ones on the dependent one that :
1. Training has both value and regression coefficient of z statistic : 0,901843 with probability: 0.0441 which gives significant value at the level of α = 5% or 0,05.
2. Capital has value and regression coefficient of z statistic: 0.139481 with probability: 0.3476 is not significant at the level of α = 5%
3. The tour study has value as well as regression coefficient : 0.172255 with probability: 0.3607 which results no significant on the level of α = 5%.
4. Marketing has both value and regression coefficient of z statistic: 1.069491 with with probability 0.0054 which gives significant effect on the level of α = 5%.

The coefficient of mc fadden determination (R^2) is used in the rate of 0.930000 or 93 % to analyze how many contributions of independent variable such as training, capital, tour study and marketing can simultaneously explain dependent variable that is MSMEs then 7 % is explained other variable which can be added later.

4.3 Discussion

According to the descriptive and quantitative result in the year 2013 until 2017, it can be said that there are two variables that give the significant factors for increasing the MSMEs Income such as :

1. Training. The average of the KLIBI MSMEs income is giving the duration from 8 until 10 times as the education target for entrepreneurs for getting the soft as well as hard skill to make them high focus of their safety and need to compete each other. As the business factor, The R&D must be the real target to improve the business etichs in getting the market share and feasibility target. The contidition of this variable is similar to the empirical theory of (Siagian & Putra, 2019), (Dilham & Putra, 2017), (Dilham & Putra, 2017), (Malawat & Putra, 2018).
2. Marketing. The best target of the company that can be joined with location empowerment. In getting the mind of market in community must be related to the good marketing strategy. Social economic condition can increase in the employment productivity during the penetration its capacity. The strength in human capital in getting the market knowledge can be gained with the duration of 4 until 7 times as the marketing strategy in exibition around inner or outer Tebing Tinggi with the best innovative product. The idea of reasearch is the same as (Putra & Ami, 2017), (Dilham & Putra, 2016), (Stam & Wennberg, 2009), (Maran, et al, 2009).

However, in the research, there are two insignificant variables that must be improve as the business and location factor, such as:

1. Capital. It is one of the insignicant one that must be focused in getting in the level industries so that it requires employees in Tebing Tinggi. The donation got from the Trade Service Officer In Tebing Tinggi. It can give around 8 until 10 Millions Rupiahs. The entrepreneurs don't need it anymore because they can manage their company professionally. It is one of their strategy to get the high penetration of business, but they can allocate it well because they need the coaching as business education. It can make the good character of their location empowerment. A good approachment in coaching them will make the area contribution for economic development. The analysis is similar to the idea of (Siagian & Putra, 2019), (Syarifah & Putra, 2017), (Bati,*et al,* 2018), (Malawat & Putra, 2019).
2. Tour Study. Realizing for the best community in one of the area must be done the inspiration business for the best one to arrange it. As the The role of academic role to run it, it can offer the company to give the education directly through road show in all over areas. the Faculty of Economics and Business, University of Sumatra in 2013 gives the business connection tour duration from 2 until 8 times to visit some innovative home industry in Medan. The random frequency must be improved for the next program so that it can give the best effect in market contribution. The concept of research is the same as (Putra & Ami, 2017), (Dilham & Putra, 2016), (Stam & Wennberg, 2009), (Maran, et al, 2009).

5 CONCLUSIONS

Based on the discussion, it can be concluded that :
1. KLIBI Tebing Tinggi is an entrepreneurship coaching clinic as a solution for the problem for getting the income probability for its member as many as 100 for the assiting focus.
2. There are two significant factors that can improve the income probability for its member such as training and marketing throuh exhibition.
3. For the insignificant factors for increasing the income probability such as capital and tour study.
4. The probit model shows that the goodness of fit gives the high probability for all varibles such as training, marketing, capital and tour study.
5. The contribution of independent ones can influence dependent one with the highest range untul 93%.
6. Its progress from 2013 to 2017 can increase high income probablity for MSMEs as the focus in business factor and location empowerment.

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