

EXPLORE THE STUDENTS POTENTIAL AS AN ENTREPRENEUR

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Abstract

This paper tries to convey the idea to cultivate entrepreneurship in universities. Discussion focused on who is an entrepreneur, model development strategy that has been done both in developed and developing countries including Indonesia, and how to explore the potential of students as entrepreneurs. Exploring the potential of students as an entrepreneur is required in order to overcome the problem of unemployment, expand employment opportunities and accelerate the release of the Indonesian nation out of a prolonged crisis. The conclusion is higher education as a scientific institute bearing various advantages should stand foremost in order to create entrepreneurs. Synergy between Universities, Government agencies, private enterprises, cooperatives and State-Owned Enterprises need to be built to streamline the process of acculturation Entrepreneurship in Higher Education.

Keywords : *students, entrepreneurship, development strategy*

BACKGROUND

The monetary crisis experienced by the nation of Indonesia since August 1997 that spread to the economic crisis has made the foundation of national economic collapse. The collapse of the national economy marked by rising food prices, rising raw material import prices, layoffs, rising inflation, national income per capita fell to \$ U.S. 600 per year, the rate of economic growth dropped sharply from 7% per year to - 15% at the end 1998 and various other problems which could reduce the ranks of Indonesia from a middle-income countries to low-income countries (Report by the Central Bureau of Statistics 1998). Increasing the number of unemployed has an impact to increase the number of poor people in Indonesia. This is reflected by the 80 million poor people in 1999. It turned out that the economic crisis in Indonesia can not yet fully resolved. The number of unemployed increase. Official report from the Central Bureau of Statistics reported the unemployment rate further increased in 2004 to 10.296 million people (9.9% of the total labor force in 2004 of 104 million people). The unemployment rate is then increased in 2005 amounted to 10,897,400 people (10.3% of the total labor force in 2005 amounted to 105.8 million people). In fact, the research team the 2007 Indonesian economic outlook Economy

Research Centre LIPI predicts the number of unemployed rose to 12.6 million inhabitants. The number is derived from the 1.6 million new unemployed plus the 11 million unemployed who have been there. The number of unemployed is increasing is an indicator of poverty is also increasing. The situation improved slightly in 2009, which according to the central Bureau of Statistics reports the unemployment rate in February 2009 of 9.39 million people (Kompas, July 9th, 2009). Based on these data, the number of poor is estimated at 45.7 million inhabitants.

The number of unemployed is one of them due to lack of entrepreneurial spirit not just among the general public but also among the academic community. It is characterized by the paradigm that a person's social status is considered higher when working as an office employee, on the contrary out of the office workers are considered second-class communities or low self-esteem. This has led the college graduates more oriented to working in big industries or government agencies. It was supported also by the lack of higher education policy in encouraging learners to further develop the entrepreneurial spirits. Education in universities produce more graduates of high academic qualified workers. Actually, that should be required is a graduate of entrepreneurial spirit that by mastering science and technology is trying to

be independent in the welfare of self and society.

RESEARCH METHODS

The writers use to compare library information and literature that contains the potential of entrepreneurship for students. We then discuss how the articles included in the feature topic on research methods in entrepreneurship hold great promises for resolving these challenges. Secondary data was used in this research such as the role of entrepreneurs has been known since 1755 by a group of "Physiocrat" among others : Robert Cantillon (1755) in Idrus, (1999) states that all trade and circulation of goods within a country made by the entrepreneur that all the exchange and circulation of the state is carried by the entrepreneur (Ekelund Jr. And Herbert, 1990). Keynes (1936), a "fiscalis" the theory of economic policy dominated the United States and other western countries in the 1950s, and 1960s, expressed the importance of the role of these entrepreneurs. Implicitly, Keynes states that the entrepreneur who balances the "aggregate supply "with" aggregate demand". The relationship between " Aggregate demands "with" aggregate supply "will determine the real output, the rate of interest, the composition of output and the price level (Idrus, 1999).

RESULT AND DISCUSSION

Some writers management literature states that the entrepreneur has the same meaning with "small enterprise owner, self employed, self employed temporary helped by family members" (Nelson, 1986; Sethuraman, 1985), "*Small business owner-managers, venture (risk taker)*" (stainhoff and Burger, 1993). Entrepreneur is defined as: people who have the ability to see and evaluate business opportunity; to gather the Necessary resources to take advantage of them; and to initiate action to Ensure Appropriate success. (i.e. people who have the ability to view and assess business opportunities, gather the resources necessary to benefit from these opportunities, and initiate activities in order to get success.).

The contribution of entrepreneurs to the nation's economy is huge. Matsushita Corporation for example in 1993, only to provide employment for 48,369 people this company can generate sales of \$ 39.1 billion U.S., and earned the 13th ranking in Asia than 1000 large companies in Asia (Idrus, 1999). At the same time, Pertamina also included in the ranking to 37 with sales of \$ 14 billion U.S., with 47,000 people labor. Gross Domestic Product (GDP) of Indonesia gained as much as Rp 302 trillion (or approximately U.S. \$ 150 billion at the exchange rate of U.S. \$ 1/Rp2088) with the employment of 80 million people (BPS, Statistics Indonesia, 1994). General Motors in the United States in 1993 sales of approximately U.S. \$ 133 Billion with the employment of 700,000 people increased to U.S. \$ 168.8 billion in 1995 with the employment 709,000 people (Idrus, 1999). It could be argued that the existence of entrepreneurs to the economy of a nation are enormous.

Entrepreneurship Development Strategies in Some Developed Countries and Developing Countries

Canada is an example of a country at the forefront in the development of Entrepreneurship. Along with the progress of its economy, the Canadian government is continuously developing entrepreneurship in the country. Some stand out among other policies: in 1960 the Canadian government created the Small Business Act as a policy-based entrepreneurship. Not long after that in 1970, the problem of financing the entrepreneurs in financing the business conducted by the state, especially the financing of SMEs. In 1982, the government of Canada as the only country in the world to form a cabinet Ministry of SMEs. In 1989 the Canadian government set Entrepreneurship as national policy.

Frame Work Entrepreneurship development in Canada consists of first, set the targeted segments in the implementation of entrepreneurship development strategy. These segments are differentiated based entrepreneurial group of women, youth, disabled, indigenous, black entrepreneurs. Segment grouping is intended to provide a pattern of education and training, awards,

access to funds and information. Second, the provision of extensive information for entrepreneurial who are at stage start-ups. Third, open access as wide as possible for funding Entrepreneurship particularly SMEs. Fourth, the provision of infrastructure, both physical infrastructure (transport and communication) and non-physical (education and training in entrepreneurship). Fifth, communication programs and incentives for continuous improvement Entrepreneurship education. This form of entrepreneur education programs, as shown in the media, followed by the provision of incentives as a reward (Kasali, Rhenald, 2005).

Japan is a country that is no less aggressive in the development of Entrepreneurship. Since 1947, the Japanese government has given attention to the industrial sector where small business coaching is integrated in it. Through the activities of "Japan's Research and Development Corporation" formed a special institution for small businesses is the Smaller Enter Price Agency, which is responsible for: (1) to coordinate to direct a small business, (2) provide technical assistance and (3) train the managers of business small (Wiltshire, 1971, in Idrus, 1999).

In 1983, the Japanese government through the Small and Medium Enterprise Agency, MITI (Minister of Trade and Industry), compiling the Outline of the "Small and Medium Scale Enterprise Policies" on duty: (1) Modernization and Upgrading of Small-Medium-Scale Enterprises, (2) formulate regional policies such as promotion of local industries, (3) make improvements for small business opportunities in the field of sub-contract, (4) provision of equal opportunities, particularly for purchases of government agencies, (5) Management improvement, Fund Loan System, financing system for minor enterprise.

Malaysia as a developing country, its development strategy Entrepreneurship is not just for "Employment-Oriented, but also directed at equality-oriented approach" (Sit, 1982). Entrepreneurship Development in Malaysia can be seen from the various government policies, among others: (1) in 1976, the Malaysian government to form

such a council that is "The Coordinating Counsel for the Development of Small Scale Industry" that serves to integrate all the agencies responsible for providing financial assistance to small businesses. Some institutions are established that take shelter under it, among others: FIDA (Federal Industrial Development Authority), MARA (Majelis Amanah Rakyat), NPC (National Productivity Centre, EPI (Economic Planning Institute, MIDF (Malaysian Industrial Development Finance Berhad (Ltd.)), The Treasury, the Executive Division of the Prime Minister's Office and 3 Commercial Banks. (2) Various development programs Entrepreneurship developed by institutions such as: 1) mede-the Malaysian Entrepreneur Development Scheme, to provide knowledge management, knowledge of operational business and technical knowledge for small entrepreneurs, and lessons in the classroom related to business contacts, as well as trade visits and discussions with entrepreneurs from abroad, 2) Medec-Malaysian Development center, MARA, NPC, beginning in 1983, provides business management training to government officials who are interested to open a business; 3) Franchise system, also encouraged the government for example: Sateria, Saji (Restaurant), Puspa (car maintenance), Amulets (retail trade), 4) Integrated Entrepreneurship Program, to train the entrepreneur for 3 months, conducted 3 days per week at night, providing loans for \$ 50,000 each entrepreneur, and M \$ 150,000 if a joint venture with MARA; 5) The Minister of Education Malaysia instructed to include lessons related to the "entrepreneur vales" into the education system, including implementing student Values Entrepreneur Expo; 6) To address unemployment among the youth, the Minister of Youth, Culture and Sports also provide Loans - maximum M \$ 3,000 for youth who wish to become entrepreneurs.

In Indonesia Entrepreneur of the integrated development program has not been fully carried out as in Malaysia. Almost every ministry/department develops a small business coaching program, but the direction (Vision-long term direction) that you want to accomplish is not clear and not sustainable. (Idrus, 1999). Even the frequent policy changes occur when changes in leadership. In

the Industrial sector, the Indonesian government has set up projects BIPIK with the program: Establishment of Mini Industrial Estate/LIK, Construction industry centers (small industrial clusters), the establishment of handicraft industry centers (small Industrial clusters), the establishment of cooperatives and handicraft industry (Kopinkra), programs, foster-father (adoptive father) (UNINDO, 1984). In the trade sector, the Indonesian government has also established development projects "economist weak" by giving TRAINING to PEGEL (Trader Weak Economy Class). In the Financial sector, Bank Indonesia since 1973, providing KMKP (Permanent Working Capital Credit) and CIC (Credit Small Industries) for small businesses with mild interest. In addition, the BI with the World Bank sponsored project initiated P3K (Small Business Development Project) or the SEDP-Small Enterprise Development Program in 1977 from central to local levels. Ministry of Cooperatives and Small Business Development has developed small business management training program. This small entrepreneur development program continues to this day although with a different policy variations, but the goal is the development of Sector Entrepreneurship.

Explore The Potential Students as Entrepreneur

To explore the potential of students can be done with 2 strategies are strategy Internal and External Strategies. Internal strategy is an attempt to instill, encourage and awaken the student to become an entrepreneur by using a variety of forces that are in college. Proposed 2 form program in exploring the potential of students as an entrepreneur, namely: (1) Establish training institutions and entrepreneurship training in universities and (2) Insert the Entrepreneurship Lecture eye as compulsory subjects in each program of study in universities. (1). Establish training institutions and entrepreneurship training in universities. To establish this institution A university should work with approach/flow "Strategic Management" with Develop Vision (long term direction and Nowhere management intends to take the company) and make the mission (load task performed or long term objectives) (Hax and Majluf, 1984), a specific and clear

example Vision (long-term direction) include (1) Superior compete in the ASEAN and the Global Market by 2020 on-product agricultural products, with "low cost" and "High Quality", (2) partnering (as partners, joint venture, licensing, alliances, or as a subcontractor) of a global enterprise with reliable quality standards. With a mission to: (1) support the expansion of employment opportunities, with high productivity, high added value, the use of advanced technology and supporting the creation of young entrepreneurs, (2) support increased national production that can be relied upon for domestic consumption, import substitution, especially for the needs of food and medicine, as well as the needs of export-oriented industries, and (3) support the agro-industry, agri-business, and the service sector (tourism, transport, communications) that another strategic.

Conduct analysis of power (strength) weakness (Weaknesses) and opportunities (opportunities) and threats (threat) above are (1) small businesses that exist, (2) higher education in developing small businesses, such as the availability of resources, software and hardware, motivation, discipline and required to support the Entrepreneurship program, (3) develop goals / targets / objectives are clearly good for the measurement of time, size (indicator), the key to success (key result areas) other.

Entrepreneurship development strategies in accordance with development needs, market demand and high competitiveness, and to optimize opportunities, minimize weaknesses colleges (such as funds, laboratories, and qualified staff), and adapting to "proactive" with a high speed (not soggy, always waiting for permission from supervisor) to environmental changes. This strategy may take the form "empowerment, synergy, modernization, net working, outsourcing, or linking both to the entrepreneur as well as with other relevant institutions.

Implementation strategy by improving the organizational structure, formulation development system how resources are allocated, leader election (style) of spirited entrepreneur's, staff selection and skills appropriate to the needs of entrepreneurial development, formation of the organization culture or shared values, always done well.

Overcoming obstacles and conflicts that exist in the form of issues relating to staff, sharing of infrastructure, as well as the selection of the target group of entrepreneurs, is also done in a democratic manner.

Evaluating the performance (the impact of development on the entrepreneur's performance compared with those not involved in the process of development, must be done to see how effective the entrepreneurship development efforts. Take remedial action (what went wrong, when, where, who and which method is wrong), also always done starting from the aspect of the vision, mission, goals, strategies, and implementation strategy.

Insert the Entrepreneurship Lecture eye as compulsory subjects in each program of study in universities. To implement this program should be made in curriculum that can help prospective young entrepreneurs in managing their business. Curriculum can be awarded at 3 levels, which will be presented in a time equivalent to 3 semesters (16 x 3 x 3 = 144 hours), namely:

1. Basic level (elementary).

The introduction of behavior as an Entrepreneur.

Test / self-evaluation of the ability of entrepreneurs from participants entrepreneur development program which is an IQ test that includes tests for attitude (1) *independence*, (2) *self-discipline*, (3) *creativity*, (4) *motivation (derive & desire)*, (5) *risk taking*, (6) *confidence*. For this test may request assistance from psychologists

Preparation of Business Plan and feasibility study using a business game and computer simulation.

2 intermediate level

After participants received the materials at a basic level, participants were given the material:

Management skills in the areas of marketing (marketing), production (production and operation management), Personnel (Human Resources Management), finance (Financial Management), Management Accounting (Managerial Accounting) and management information systems;

The procedure of establishment of business material - here the legal experts can be involved.

The use of technology such as *Computer Aided Design* or *Computer Aided Manufacturing* (CAD-CAM), food technology, and matters relating to corporate health, environmental impact, as well as government regulations on small businesses.

3. Advanced Level

Participants will be provided materials relating to:

Consumer behavior, total quality management, strategic management, business forecasting/demand forecasting, an efficient allocation of resources with quantitative methods, franchising, export and import procedures.

Preparation of proposals / feasibility study to obtain credit assistance, and / or to conduct joint ventures, partnerships, sub-contracting with more advanced partners both inside and outside the country.

External strategy is the cooperation with external parties (parties outside the campus) in order to instill, encourage and awaken the student to become an entrepreneur. 3 program proposed in this strategy include: (1) brighten Program Seminar and TRAINNING themed Entrepreneurship. This program should involve government agencies as across sectors. Government through the Ministry of Cooperatives and SMEs can act as a facilitator in these activities. This cooperation is expected to provide appropriate material, a centralized financing and to attract interest for participants should be in the implementation of the participants are free. (2) Program Organizing business competition. In this program, making the race organizers to implement a business plan. Of the plan participants are asked to realize. Assessment of the winner based on the quality of business plans and results of its realization. Some participants who meet the standards of assessments are given the gift of working capital with funds derived from the facilitator. The benefits obtained by participants are learning entrepreneurship and working capital assistance for new entrepreneurs. (3) capital program. This program provides capital for new entrepreneurs. Government as facilitator should help the

entrepreneur who has the potential to go forward. Similarly, college parties can work together with the plot of the department and the banks to facilitate the entrepreneurs who have the potential to grow.

CONCLUSION AND SUGGESTION

Exploring the potential of students as an entrepreneur is required in order to overcome the problem of unemployment, expand employment opportunities and accelerate the release of the Indonesian nation out of a prolonged crisis. Higher Education as a scientific institute bearing various advantages should stand foremost in order to create entrepreneurs.

Students as individual's educated human resources need to dig their potential, intelligence, independence, skills to be developed as an Entrepreneur. To explore potential university students as an entrepreneur needs to develop a curriculum that leads to the creation of new entrepreneurs as a formidable and its implementation can be formed Entrepreneurship development center that serves as an Entrepreneurship to explore the potential of students into the learning process. Synergy between Universities, Government agencies, private enterprises, cooperatives and State-Owned Enterprises need to be built to streamline the process of acculturation Entrepreneurship in Higher Education.

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