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**START-UP DIGITAL: TRANSFORMATION OF LOCAL ECONOMIC BEHAVIOR IN  
GLOBAL WORLD**

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**Abstract**

The digital world brings a great influence for the actions of economic practitioners. This research will try to describe the startup phenomenon as a form of transformation of the actions of economic practitioners in the global world. The selection of the research objects and subjects is on ITB STIKOM Bali Campus with tenant (startup) informants who are starting a business and are given facilities in the form of incubators by the academics who are competent in their fields. Data collection techniques are carried out using interviews and documentation. The results of this study indicate that four digital startup tenants are under the shelter of the STIKOM Bali Business Incubator, they are Pasupati.id, Troll, Jemari Channel, and Agrito. ITB Stikom Bali is one of the leading universities in the field of technology by not leaving the roots of Indonesian culture, especially Balinese culture, with the contribution of Pasupati.id startups, digital homes for Balinese artists and the Jemari Channel is a digital commodity space for Bali endek craftsmen. The four startups transformed from conventional sales to digitalization.

*Keywords: Transformation of Economic Behavior, Digital Startup, Globalization.*

**1. Introduction**

Indonesia at the moment are busy in implementing Industrial Revolution 4.0 to all aspects such as economy, social and technology. The term Industrial Revolution 4.0 was introduced in England in 1784 where the invention of steam machine and mechanization started to replace human in workplaces. The second revolution started in the end of 19th century in which the machine produced were powered by electricity and were used for mass producing items. Nowadays, with the fast development of sensor technology, interconnection, and data analysis springs ideas to integrate all those technologies into many industrial fields. (Davies, 2015) this idea which was predicted to become the next industrial revolution. The number '4' in Industrial 4.0 refers to the fourth revolution. Industrial 4.0 is a unique phenomenon if it is compared with the other three previous industrial revolution. Industrial Revolution 4.0 was announced appriory because the event is not yet happening and is still in form of an idea. Several other countries are also involved in realizing the concept of Industrial 4.0, however they use different terms such as Smart Factories, Industrial Internet of Things, Smart Industry, or Advanced Manufacturing. Although the terms are different, all of them have the same goal, which is to increase the competitiveness of industrials in each country in preparation to face the dynamic global market.

Most of the opinions regarding the potential benefits of Industry 4.0 are about improving the speed of production flexibility, improving service to customers and increasing revenue. The realization of the potential

benefits will have a positive impact on a country's economy. Industry 4.0 does offer many benefits, but also has challenges that must be faced. Drath and Horch (2014) argue that the challenge faced by a country when implementing Industry 4.0 is the emergence of resistance to demographic changes and social aspects, instability of political conditions, limited resources, risk of natural disasters and demands for the application of environmentally friendly technologies. According to Jian Qin et al (2016), there is a wide gap in terms of technology between the current state of the industrial world and the conditions expected from Industry 4.0 (Qin, J, Liu, 2016).

In general there are five major challenges that will be faced, they are aspects of knowledge, technology, economics, social, and politics. In order to answer these challenges, it requires a large, planned and strategic effort both from the regulator (government), academics and practitioners, which conveyed the involvement of academics in the form of research and development is needed to realize Industry 4.0. The technology development roadmap to realize Industry 4.0 is still not directed. This happens because Industry 4.0 is still in the form of an idea whose actual form from all aspects is unclear so that it can bring up various possible directions of development. (Hoedi Prasetyo, 2018).

In the economic world, business becomes one of the actions chosen by humans in improving their welfare. This does not only occur to individuals but also to groups of small or large communities. The business world cannot be separated from the existence of producers as sellers of products and consumers as buyers of products. These two groups are elements that need each other, the business will not run if one of them does not exist. Producers need consumers to buy products that have been produced. Likewise consumers need producers to meet consumption needs. The pattern of trade carried out by producers by selling products at a place and at that time the consumer desires to meet the needs until he finally came to the place. The conventional pattern has occurred from hundreds or even thousands of years since the beginning of trade.

The ballad that is currently happening is in the era of the industrial revolution 4.0, technology is starting to flap its wings to approach all aspects of life, one of which is in the economic world. The storm of the global economic crisis ensued and provided many lessons for everyone in the world, one of which is Indonesia, that everyone must follow the time and age. The current economic tragedy has led to the opinion that technology has a role as a means of transaction for two elements of online business, namely in providing media facilities in the form of the internet. The web is provided as a place for consumers to choose the items they want. The transaction process finally inevitably follows the development of an era where hundreds of years ago, if consumers want to meet their daily needs, they must come to the place where producers sell, but nowadays they only need to utilize telephone communication technology (as a communication agent. Banks (consumer payment media to producers) and delivery agents such as Pos Indonesia makes all that we need can be at hand.

Technology makes all things easier by bringing efficiency, speed and security. Progress of technology can not be denied to have an impact on all people, especially the younger generation. In this postmodern era, the younger generation prefers actualization by utilizing information technology from various aspects, one of them is the business world. the digital era is currently an auspicious moment for many parties, especially the people of Indonesia, related to the increasing number of Internet users throughout the world, especially in Indonesia, which reaches 102 million users in the world and ranked 6th in the World as Internet user whose growth is relatively fast.

According to data from e-marketers, it is estimated that the growth of Internet users in Indonesia in 2018 will reach more than 120 million. (Nugraha, 2017) Based on a survey conducted by the Association of Indonesian Internet Service Providers, this rapid growth can be classified into several categories including Internet users around 51% of Indonesia's total population of 256 million people with the most distribution in Java with 86 million or around 60% of the total Internet usage. For online business owners, those data are of course a promising market, seeing that the majority of internet users are active in social media platforms. A new thing which make young generation interested nowadays in technology is about Start-Up. There are many online platforms that appear such as Kaskus, Facebook, Instagram, and many e-commerce which were initiated by millennial generation (Anis Uzzaman, 2015).

In Indonesia, many companies take advantage of e-commerce as a bridge which connect the producers and the consumers in digital world. Bukalapak.com, Traveloka, Tokopedia, Gojek, are all examples of businesses which use that platform. Startup company which innovate by using this digital technology has been using internet as a strategy to promote their products. Using Smartphone and computer as tools, those startups can provide information regarding the products that they offer to buyers through social media which is more efficient. The concept of 'startup' is derived from english words which have meaning as a process to start an

organization or a new business. Whereas startup company is a newly operational company and there are developing phase in finding the right market. Startup is a business pioneer which produce goods and services whose purpose is to find the right business model for its company so that they can survive in the extreme uncertainty (Ries, 2011).

Several scientific studies have been conduct by researchers in peeling the development of startup. Dodi Jayen Suwarno and Anita Silvianita conduct a research entitled “Knowledge Sharing and Innovation on Startup Industry”. This research produces the significant influence of implementing knowledge sharing to startup innovation. Thus the implementation of knowledge sharing needs to be paid attention to by parties who want to make an incubation program, so that they can produce startup graduates with high competitiveness through their innovation. This research is also useful to the development of science, especially the human resources. It can also be a reference for business practitioners regarding the implementation of knowledge sharing and its relation to the innovation which it creates (Dodi Jayen Suwarno, 2017).

Other research related to startup is a research conducted by Mardi Arya Jaya, et all, which studied about Successful Factor Analysis of Digital Startup in Yogyakarta. this research used qualitative research method. This research is quite interesting because the research, who has Electro Technique Major background, tried to answer the problem with qualitative descriptive point of view. The result of this research showed that the main factor of the successful business for startup such bas Tyfons, Tlab, and Icecub, was the human resource or a good team, precise timing, and also idea and well funding. This shows that good human resources quality and precise timing really have a great impact on the succed of startup level. Therefore, startup company has to be clever in seeing chances and making great products in perfect timing. Idea and funding are also supporting factors of a successful stratup. Meanwhile, business model is not real needed yet on the beginning level of startup. (Mardi Arya Jaya. Et all, 2017). Related to the scientific reasearch discussed here, it is very interesting to see a continuous research about startup as a transformation action of local economic practitioners in this global world. The difference between this scientific research with the previous researches is that the research object is different. In previous studies, it was not explained in detail how the changes in the actions of economic practitioners who were initially conventional economic practitioners then changed to digital, called startups. The work pattern of a startup business that is run is also not clearly generalized. Therefore, it is necessary to conduct further scientific studies on startups to add to the scientific truths and provide motivation for millennials as agents of change.

## **2. Literature Review**

Economic practitioners in Indonesia are very diverse, ranging from their shape, organization, and status (in terms of the law), as well as their business fields and business capabilities. These economic practitioners consist of individual and corporate economic practitioners. Individual economic practitioners consist of entrepreneurs, both for trading goods or services, including craftsmen in the field of small industries. Economic practitioners have a very important function in social life. Economic practitioners or business practitioners / business people are public organization that have two functions at the same time. First, as a supplier of all community needs ranging from primary, secondary, and tertiary needs. Second, as an absorber of community labor. According to Polanyi and friends (1957) economics in pre-industrial societies is inherent in social, political and religious institutions.

This means that phenomenons such as trade, money and markets are inspired by purposes other than for profit. Economic life in pre-industrial societies is regulated by reciprocity and redistribution. Humans have unlimited needs, both in kinds and in number. Human needs from birth increasingly longer and more diverse. Humans need food, need shelter, and clothes. After these needs are met, a number of other needs will emerge, such as the need for health, transportation, and recreation. To meet these needs, it is needed things to satisfy their needs in the form of goods and services. Contrary to unlimited human needs, the means of satisfying human needs is limited. The imbalance between them forces humans to take economic action. Basically, economic action is carried out to meet needs. In carrying out these actions humans must be rational.

This attitude is shown by always taking into account the comparison between sacrifice and the results obtained. Humans must try to get a higher yield than the sacrifice incurred. Based on these explanations, the notion of economic action is all activities carried out by people to meet their daily needs. For example, we eat so we don't get hungry, we buy clothes so we can dress appropriately, and so on. It is said as an economic action

if the action is carried out by considering the sacrifice and the results and is able to make the right choice in meeting a need which should take precedence and in accordance with their abilities. (Karl, 1957) Startup is a space for economic practitioners to be creative. An overview of the notion of a startup itself is a company or business that is recently formed.

Businesses that are involved are usually still in the process of development and research to find the right market. Google and Facebook are portraits of developing the digital age business system by linking the online world. As a search engine category, Google is the most successful startup. While Facebook is categorized as a startup in social networks. Paul Graham defines a startup as a company that is designed to grow fast. Simply put, startup is a start-up business known after the internet era. (R.A, 2012)

### **3. Methods**

Exploring the phenomena in society scientifically, it is inseparable from the selection of methods to explore the research to be studied. This research uses qualitative research with the aim of being able to generalize the actions of economic practitioners undergoing transformation changes from conventional to digital. Searching for answers to problems that occur in this study are using data collection techniques such as interviews and documentation. Interviews are conducted together with tenants who are part of a digital startup that is currently still sheltered by the ITB STIKOM Bali business incubator. To make it easier to find answers through interview techniques, researchers used Focus Group Discussion as a means of reviewing this research. Data analysis technique used to analyze is the interactive model (Interactive Mode of Analysis). The stages in data analysis are Data Reduction, Data Presentation and Conclusion Drawing. In this study, data reduction is taken from the results of the simplification of interviews and visual documentation when conducting focus group discussions (FGD).

This reduction takes place continuously as long as the research is ongoing. This data reduction aims to remove records from the results of data collection that are considered unnecessary and then organize the data according to what is needed. At the presentation stage, in this study it takes the form of a narrative and a chart in which all the reduced data is combined and arranged in a directed form. Thus it will be seen what happened and the researcher can determine the right conclusion. While this conclusion drawing stage is part of the activities of a complete configuration. The verification process appears when reviewing field data which in this case is the incubator of the STIKOM Bali business. In certain cases, drawing conclusions needs to be tested for truth. This truth testing process is part of data triangulation that finally gets validation when it's appropriate.

This test is done by crosschecking the results of interviews with informants other than informants that have been determined by researchers. When experiencing compatibility, it is assumed that the conclusion can really be justified. Triangulation or testing of this truth is done by gathering information from Focus Group Discussions with stakeholders.

### **4. Results and Discussion**

A superior university that produces young people with expertise in technology is one of the goals of ITB STIKOM Bali. Founded in 2002, the campus which began its career named STMIK STIKOM Bali has 3 excellent study programs, they are Computer Systems, Information Systems and Information Management, which now growing rapidly to become Institute of Technology and Business STIKOM Bali. One of the pride of achievement for ITB STIKOM Bali to be exhibited in the global world is the business incubator as an affiliate of the young generation of digital economy practitioners. The Business Incubator was established in 2004, but is still undergoing a transition until it is actively reactivated in 2007. Referring to the operational standard of the ITB STIKOM Bali business incubator, this structuration role fetches the ball to find tenants to be pioneered to become digital startups. If you look at history startups which began to develop in the late 1990s to 2000, the term startup is equated with everything related to technology, the web, the internet and those related to the field of information technology. The founder is a startup owner, who starts from the beginning to establish and run a startup operation.

Startup has an important role in the stability of a country's economy, as in Germany which pays attention to the development of startups. It was proven when the crisis in Europe in 2012 Germany was free from the

crisis because it had a safe domestic market. Startups who want to develop naturally pay attention to the fundamentals of the corporate governance system. Having a good financial report is one way to see the company's future, whether it's getting better or just waiting for the time to close the business forever. A good company is a company that has value. This is the purpose of company valuation (business valuation) to carry out the calculation process to obtain an estimate value of the company.

Company valuation aims to estimate the fair market value of a company and therefore for the company (Balboni, 2014). The growth of digital startups is rapid and equitable in Indonesia, making investors or Venture Capital (VC) see a big opportunity so they dare to invest by investing their funds. For startups activists, getting funding will be very useful for the sustainability and growth of startups. But on the other hand, investors and VC also do not want to rashly give their funds to startups that are considered to have low potential and even high risk.

The limited quality and proper startups in Indonesia to get funds from investors or VCs, not infrequently there are many examples of startups that are repeatedly rejected by potential investors. The reasons are var, starting from unattractive ideas, management that is not filled by competent people, even technical reasons such as not having financial reports. Referring to the initial concept where startup is connected with the world of technology or can be called the digital world.

Dalle argues that the history of the world economy has gone through four eras in human life, they are the era of agricultural society, the era of the post-industrial revolution, oil hunting and capitalism. This category is exclusive in that it can only be reached by elite groups. Today, the digital economy is one of the inclusion innovations for all aspects of society in development and poverty alleviation. One of the digital economy actors is startups prioritize collaboration and synergy with the vision of lifting small and medium businesses in the global world. In Indonesia, digital economic growth in 2014 - 2018 reviewed from the Indonesia's Ecommerce Retails, has increased. Below is the research table about the increase of retail business which are conducted by eMarketer in 2015.

**Table 1 2014-2018 Ecommerce Indonesia Retail Business Value**

No	Year	Retail Business Value
1.	2014	1.94
2.	2015	3.22
3.	2016	5.29
4.	2017	8.21
5.	2018	10.92

*Source: eMarketer, 2015.*

From the table above, it shows that the interest in using ecommerce as a business target every year has increased significantly. According to research conducted by social Research and Monitor soclab.co, the prospect of e-commerce business in Indonesia in terms of the number of internet users in Indonesia in 2015 was 93.4 million. The number of users, 8.7 million people are online shoppers. While 77% of the above number found are internet users in Indonesia looking for product information and shopping online. Popular e-commerce products that are often reached by internet users are clothes 67.1%, shoes 20.2%, bags 20%, watches 7.6%, plane tickets 5.1%, cellphones 5.1% with E-Commerce transaction value is US \$ 4.89 billion. In 2015, the Ministry of Communication and Information Technology in collaboration with IMT Mitra Solusi also conducted a study on the description of E-Commerce buyers and sellers on a National and Regional scale. Of the buyers, 79,8% were found to be individual buyers and 74% of these practitioners made purchases that were product, while the classification of buyers was mostly carried out by millennial generation. Whereas 56% of sellers were found to be individual sellers engaged in the product sector. (HR Research and Development Agency, 2016) Looking at the movement of economic practitioners, both buyers and sellers, there is a symbiosis of mutualism. The picture above shows in the category of individual buyers and sellers individually occupying the highest percentage compared to cooperatives.

### **Digital Startup: Study on the Transformation of Economic Practitioners in the Global Era**

This scientific study takes a case study in the ITB STIKOM Bali Business Incubator as one of the spaces

to explore the economic and management of entrepreneurship in the world of technology. Digital growth in Indonesia is increasing every year, the ITB STIKOM Bali business incubator has launched a metamorphosis of choosing economic actions from conventional to digital with the target of millennials who have businesses or have a strong desire to become entrepreneurs by utilizing the digital world called tenants. The aim of filtering young people into startup candidates is to produce young milineal actors with character and integrity, self-sufficient in accordance with their college affiliation competencies. Business Incubator ITB STIKOM Bali has 4 tenants namely Pasupati, Troll, Jemari Chanel and Agrito. The ITB STIKOM Bali startup profile matrix can be seen in the table below.

**Table 2 ITB STIKOM Bali Startup Profiles**

Startup Profile	Startup Name			
	Pasupati	Jemari Channel	Agrito	Troll
Year Established	2018	2018	2018	2018
Founder	Ngakan Made Riski Juliad S.Kom	I Gede Bintang Arya Budaya	I Gede Rahmat Wijaya	Padma Nyoman Crisnapati S.Pd., M.Pd M.Kom
Startup Field	Art	Handcraft	Agriculture	Agriculture
Market Focus	General Public	General Public	General Public and Farmers	Farmers
Startup Vision	Artists' Revolution in cultivating Balinese art through digital. Thus Balinese art will continue to exist.	Helping Balinese cloth craftsmen, especially <i>endek</i> to be marketed in the global world.	Developing agriculture with technological development	Transformer online tractor (Makes it easy for Farmers to operate the tractor without being in the pouring sun)

Source: STIKOM Bali data, 2019.

Each tenant developed by ITB Stikom Bali's business incubator, which is transformed from various elements. Changes in economic behavior that used to rely on conventional systems are now turning to the digital world. Seeing increasingly sophisticated technological developments and supported by the government through funding in building startups. Based on what was found in the field, the transformation of startup economic practitioners in ITB STIKOM Bali is not entirely using a digital system. At the Agrito startup, for example, established in 2018, they had developed a hydroponic agricultural business but not digitally. The transformation process that occurs in Agrito lies in the fertilizer sales system and there is innovation from the development of hydroponic agriculture using agricultural automation and scheduling tools that help hydroponic farmers in the production process with the internet of things and artificial intelligence technology. The presence of Agrito can make it easier for farmers to manage hydroponics through the Agrito mobile application. Hydroponic agricultural automation systems that are integrated with Agrito car applications, they must first register as Agrito partners. The choice of startup economic practitioners' actions so far still needs to be marketed to farmers. Hydroponic products result, Agrito utilizes online media such as e-commerce and social media. This change in economic practitioners was decided rationally without coercion from anyone.

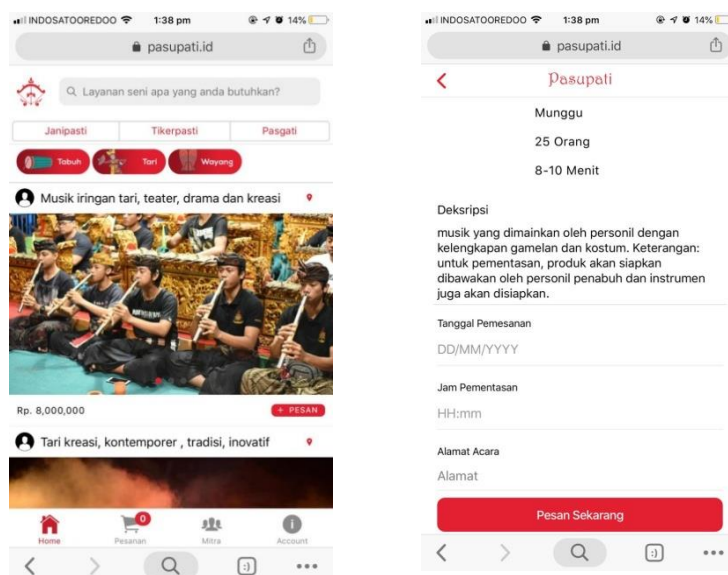


**Figure 1. Agrito Product**

*Source: Grito, 2019.*

In line with Agrito, Troll startup has a vision to help Indonesian farmers with efficient and flexible timelines, the transformation decided by this startup is the manufacture of tractors to plow the rice field with technological innovation. The transformation of these economic practitioners stems from expertise in software creation and saw the complexity of problems in farming aspect, supported by the capacity of the ability of startups in the field of technology. The economic practitioners are building networks with related agencies, farmers as well as the general public through social media. Nowadays, some farmers in Bali and Java utilize this appropriate technology for economic enhancement. The efficient and modern rice processing is one of the benefits of this transformation of the economic practitioners.

The existence of Balinese art is inseparable from the role of artists as actors who maintain this. Pasupati was present amidst the doubts of Balinese artists regarding how they remained productive in an increasingly modern era. Pasupati serves as a bridge for artists to deal with the problems they face. The decision to make a digital startup is based on rational economic action by looking at business opportunities in the digital age. The offer given by the Pasupati startup is for two elements, namely for the community and artists. During this time, the Balinese artist community can only accept word of mouth invitations. With this application, the community of Balinese artists will increasingly exist and be productive in improving individual and group economies.



**Figure 2. Pasupati Digital Media Display**

*Source: Pasupati.id, 2019.*

Basically, economic action is carried out to meet needs. In carrying out these actions, humans must be rational. This attitude is shown by always taking into account the comparison between sacrifice and the results obtained. Humans must try to get a higher yield than the sacrifice incurred. Choosing to make a change, startup Jemari Channel comes as a movement to transform conventional economic practitioners into the digital world. The focus of Jemari Channel sales is Balinese endek fabrics. helping home tailors and craftsmen who are experts in making endek become their vision to establish Jemari Channel.

The problems that occur, the economic practitioners who become actors of Jemari Channel namely home tailors, endek weaving craftsmen have the complexity of problems such as not being able to manage the business so that they are less able to market until finally they work as freelancers with small pay in various fashion houses. The second problem is that weavers have to rely on fabric collectors to sell, which certainly makes fewer profits. From the customer side, making endek clothes takes a long time so that the effectiveness of time is not guaranteed. Customers also can only order existing fabrics without having to choose according to their tastes.

Customers also have difficulty in choosing the quality and effectiveness of the time they receive because the fashion house that is an affiliate home tailor or endek craftsman does not provide a certain time. At present, Jemari Channel has cooperated recently with 10 home tailors spread across Denpasar City. By working with several home tailors, order management and customer order distribution can be done effectively and efficiently. Jemari Channel is here to help marketing through the creation of digital designs using fabric products from weavers so that branding packaging will be more attractive. In addition, the ease in making endek can also be adjusted to customer tastes, namely from the purchase process, fabric selection, design and determination of the sewing place to the payment process. Jemari Channel offers customers who do not want to buy clothing or fabric endek, they can do a rental system through Jemari Channel.

The following is matrix of actions of economic practitioners in carrying out the transformation:

**Table 3. Startup Action Performer Transformation**

Startup Name	Stages of Economic Transformation			Economic Practitioners Actions category
	Traditional Economy	Difusion Process	New Invention	
Agrito	Hydroponic agricultural business which is still manual	Making automation tools and schedules for agricultural hydroponic farmers in production and marketing production results	Agrito Partner Application. With this application, it is easier for farmers to manage hydroponic farming	Rational Economic Action
Troll	Farmers plow using traditional tools	Making an IT-based plow machine	Online Tractor Application for farmers. With this tool, farmers are easier to plow their land	Rational Economic Action
Pasupati	The existence of the artists has begun to fade	Making technology-based applications with the aim of reviving the practitioners of all Balinese artists	Applications that can be used by Balinese to book the artists to perform at various events	Rational Economic Action
Jemari Channel	The marketing and introduction of making Balinese cloth, Endek, by housewives tailors is still conventional	Making an application to facilitate the public in ordering endek fabric	Progressive Web App Based Jemari Channel Management Business Information System	Rational Action



*Source: Researcher data, 2019.*

Being a startup for the development of the economic world is not as easy as what we think. To continue to exist and develop to be able to compete in a globalized world, it requires early economic practitioners such as content management and design adjustments, payment convenience for consumers, data processing and conquest of mobile device users. In this case, the four startups that are the object of research have taken early action for economic practitioners so that they are ready to take off to advance and compete in marketing local products to the global world.

### **Analysis of Local Economic Practitioners Transformation in a Global World**

The term startup is associated with everything that is related to technology, the web, the internet and related to this subject. The history of startups became internationally famous during the dot-com bubble. The phenomenon of information technology bubbles is the speculative bubble that occurred between 1998-2000. When the stock market in an industrial country experiences a dramatic increase in the value of equity due to the internet entering the industrial sector. The year 1993 was marked by increasingly sophisticated world wide web technology. At that time many companies began to create websites and increasingly knew the internet as a modern space to start a business. Startup is not only a new company that uses technology products, cyberspace, applications or products, but also about the services and economic movements of the people independently without the help of larger and more established corporations.

As mentioned above about the increasing percentage of retail businesses that use E-Commerce in Indonesia from year to year as well as the potential in the market about economic practitioners from the buyer and seller side, it can be the basis for the development of transformation of local economic practitioners that are transforming to digital such as conducted by startup tenants at ITB STIKOM Bali. The world of education is very influential in producing young people to become agents of national change. Adopt Rostow's thinking about sustainable development in the economic world which is divided into five stages, namely the stage of traditional society, the prerequisite stage of takeoff, the stage of takeoff, the stage to maturity, and finally the stage of high consumption. These five stages can be used as pillars for economic practitioners to achieve sustainable development from the economic aspects of business. Basically, being a startup is not easy if there is no support such as funding, networking and team solidarity.

Anticipating failures in building startups, actions that need to be taken by startups are firstly content management and design adjustments, this is important to attract consumers as startup brand identity strategies. Secondly, processing data that is detailed and clear. Thirdly, it is important for startups to provide payment convenience for consumers. Today's consumption society prioritizes efficiency and speed in meeting needs. Fourthly, conquering mobile device users. This has already been recorded in the data mentioned above, namely in 2015, 94.3 million people were already using the internet. The existence of local economic practitioners who transform into startups is actually also supported by the level of self-actualization needs, this is in line with what was mentioned by Abraham Maslow about the concept of a human's hierarchy of needs namely physiological needs, security needs, belonging needs and compassion, needs for appreciation and self-actualization needs. From this it creates changes that bring the millennial generation in particular towards a better, full of innovation and high self-reliance.

## **5. Conclusion**

The development of the economic sector in Indonesia, which is entering the era of the digital economy, has also changed the existing business model. The business model also changes from the old model, the new model (or the existing model) that is currently running and the future model. As conducted by tenants ITB STIKOM Bali, as four tenant startups, Pasupati, Jemari Channel, Agrito and Troll try to develop a business

world from conventional to digital. Changes in economic actions carried out based on rational thinking to achieve stimulus from what they learn. The transformation that occurs is not only focused on them, but on the products offered to make it easier for economic actors in the field to create efficient, effective and business progress. There are three categories in the process of transformation of economic actors, they are the traditional economy, the process of diffusion and new discoveries

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