IMPLEMENTATION OF FUNDRAISING AND INCUBATION SYSTEM TO ACTUALIZE STUDENTS' ENTREPRENEURIAL IDEAS THROUGH INDEKITA

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Abstract. Indekita provides social *website* page as a place to write concept of ideas to invite Indonesia's young generation, especially students of each area in Indonesia, to act their ideas. Indekita has two concepts, namely fundraising and incubation. Programs include in incubating concept take form of discussion community, which invites many parties to criticize and advise in entrepreneurial ideas, and brings together many young innovators with mentors who can help provide insight about product development and competitiveness as well as opportunities in society. The concept of crowdfunding is fund raising with a joint venture or donation system online that will be done to fund students' business concept. The implementation of fundraising system and business incubation through indekita.com can be realized by focusing ideas on innovative entrepreneurial business. With these two concepts, students are expected to obtain funds and develop their business concepts so as to create business that enhances community competitiveness and provides new job opportunities in each region through entrepreneurship.

Keywords: *SMEs, Entrepreneurship Students, Fundraising and Incubation*

ASEAN Economic Community is the agenda of economic integration of ASEAN countries which aims to minimize the constraints in conducting economic activities across the region, in order to make the activities easier and more free in the countries of Southeast Asia. All products from the members of ASEAN, including human resources and goods, can exit and enter the ASEAN countries. ASEAN Economic Community will be a real opportunity for Indonesia because it tends to reduce or even remove trade barriers; hence, the impact will also be positive for Indonesia's GDP revenues through export activities. In terms of investment, Indonesia will get more incoming funds that indirectly affect the development of technology, open opportunities for new entrepreneurs to create more job opportunities, develop human resources and provide easier access to the world market and thus will gradually improve conomic development of Indonesia. On the other hand, Indonesia still faces big challenge, since free trade raises the risk of high competition between local industries and imported goods coming from ASEAN countries, since it is feared that the imported goods have better quality than of local goods. This will eventually increase the deficit of trade balance for Indonesia. In terms of investment, Indonesia still needs to manage its regulatory and licensing processes in various key sectors that are offered to investors, since the processes can cause excessive exploitation of Indonesian natural resources, not to mention their control over important sectors which are very needed by Indonesian people, and the roles of foreign companies which are more dominant than Indonesian local companies.

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Regarding this, it takes a real step from young generation of Indonesia to be able to compete as a main part that can support the growth and economic development of Indonesia in the ASEAN Economic Community in 2016. Data taken from Statistics Indonesia (Statistics Indonesia, 2015, https://www.bps.go id/subject/view/id/12, December 1, 2016) shows that of 256 million population of Indonesia, 65% of the total population or around 187 million people are age-productive aged 18–40 years old. This group of people can think of ideas and innovations in order to find solutions of a problem or to make easier for the challenges faced. Each region has its own characteristics and potentials that must be explored and developed. Through ideas and innovations of each young generation in the region, it is expected that they are able to make their region as a winner that dominates their region and be compete with products or services from other countries.

The number of its entrepreneurs determines economic growth of a country. When compared with other countries, the number of Indonesian national SMEs is still relatively small. The low competitiveness of Indonesia, among others, is shown by the number of SMEs in Indonesia which is still very small (1.56%), while Unites States has 11%, Singapore has 7%, Korean and Japan are above 5%, Europe are over 4% in average, and India reaches nearly 2% (Agency for the Assessment and Application of Technology, 2015. http://wartaekonomi.co.id/berita16992/indonesia-masih-berupaya-tingkatkan-jumlah-wirausaha.html, December 1, 2016). Although the development of SMEs are not without progress and improvement, those are still considered as slow compared to other countries in Southeast Asia, since they are increasingly aware that the role of SMEs is very strategic to improve economic growth.

Every generation must want to contribute to build the economy of Indonesia. One of the efforts is to become entrepreneurs through discussing new ideas and opportunities to create job opportunities and real change. There are three main factors in creating a business idea, namely business idea, fund, and idea development to realize the core of business to be established. Unfortunately, many Indonesia's young generations cannot express their ideas, have limited funds to support their ideas, and are unable to see factors that obstruct the realization of their idea. In addition to that, in terms of the local government and investors, sometimes they cannot find ideas that are really needed to develop their region, in terms of government and investors, so they cannot give their maximum support or their ideas do not fit the needs of their regions.

Indekita, thanks to the support from Shipbuilding Institute Polytechnic Surabaya through Entrepreneurial Student Week 2015, is able to unite the aforementioned three main factors to build business as a place for innovators, investors and mentors. Indekita acts a start-up that facilitates fundraising and guidance forum to encourage young Indonesians in order to conceptualize ideas and to discuss about those ideas.

To preserve the spirit of facing ASEAN Economic Community 2016, this country needs effort of change to invite all young generation of Indonesia to be optimistic to become entrepreneurs, by creating more job opportunities and competing actively to create more products and services breakthroughs through ideas of entrepreneurial innovation. The vast growth of information technology can also be used to promote ideas and innovations of young generations in order to actualize their business idea.

Entrepreneurship has different meanings among experts or references, due to its focus and emphasis (Alin, 2014. *Definition of Entrepreneurship According to the experts.* http://alin.ilearning.me/2014/02/19/arti- Entrepreneurship, December 1, 2016).

Richard Cantillon (1775) defines entrepreneurship as the work itself *(self-employment)*. This definition emphasizes on how someone faces risk or uncertainties, for example, an entrepreneur buys current item at a certain price and sells it in the future at an uncertain price. In contrast to this definition, Penrose (1963) defines entrepreneurial activities include indentification of opportunities within the economic system, while according to Harvey Leibenstein (1968, 1979) entrepreneurship includes all activities required to create or execute a company when all markets are clearly unformed or unidentified, or when the components of production function are not fully known. Peter Drucker adds the definition of entrepreneurship as the ability to create something new and different. People who engage in entrepreneurial activities are called entrepreneurs. Question that arises is why an entrepreneur *(entrepreneur)* has a different way of thinking compared to general people. The answer to that question is that they have motivation, soul calling, perception and emotion that are closely related to value, attitudes and behaviors as superior human beings.

At present, the role of students in entrepreneurial learning is very significant since today's phenomenon shows that entrepreneurship is a discipline that can be learned and taught, therefore the students must know about three competences that can be learned, which are creating opportunities, creating new original ideas, and able to take risks and be able to calculate the risks. The roles of university include internalization of entrepreneurial values, improvement of skills in marketing aspect, entrepreneurial support, and finance and technology.

In the context of entrepreneurship education, it appears that the synergy of student participation and university's ability is needed in order to provide services as well as possible, in order to produce entrepreneurial students. Thus, through education, the needs of entrepreneurship quantity and quality can be calculated. The character of entrepreneurial knowledge is designed to know, to do and to be entrepreneurial.

The purpose of education is to know and to integrate the knowledge with the curriculum of study program, which are distributed in knowledge-related courses. Integration is intended for the internalization of entrepreneurial values, while the objectives are given in practical business skills training, where students are trained to realize technological innovation into business practice.

In 2009, the Student Entrepreneurial Program had been launched to assist students into real business through existing business facilities. On the other hand, the students' systemic extracurricular activities can also build motivation and entrepreneurial mental attitude. Student coaching in various activities of interest and talent, knowledge of welfare or other organizational skills make them capable to act entrepreneurial. As political figures, CEOs or in the press unit (newspaper campus) also successfully become entrepreneurs in the publishing industry. For example, students in robotics team become creative team of engineering industry, students in informatics engineering become entrepreneurs for software house, stu-

dents in religious studies forum become preacher, and students in nature lover become entrepreneurs in outbound *services*. All coaching or training activities are able to produce creativity and innovation as the main energy of entrepreneurship. Students' business experiences and benefits can be used to develop students' entrepreneurial spirit.

However, some of the programs available on campus are not able to support students' entrepreneurial ideas, due to several factors. Such factors are, among others, many students have difficulties with schedule, lack of student entrepreneurial program, and lack of funds available since all funds are allocated only for certain ideas. Unfortunately, those students who receive financial support cannot continue their business ideas because no development programs or mentoring programs are available to help grow their idea.

Fundraising, as defined by Wikipedia (Wikipedia Indonesia, 2011. https://id.wikipedia.org/wiki/Kewirausahaan, December 1, 2016), is the process of collecting voluntary contributions in the form of financial matters or other resources to solicit donations from individuals, corporations, foundations, or government agencies. Fundraising objectives are diverse, for example, to obtain non-profit organization operating funds (such as Wikimedia), to financially support political campaigns, and even to fund the capital for a company.

The National Business Incubator Association (NBIA) defines Business Incubator as a business support process that can accelerate successful development of startup businesses by providing necessary resources and services to entrepreneurs. These services are typically developed or regulated by incubator management and offered both within the Business Incubator itself and through networks owned by the Business Incubator. In general, Business Incubators will provide:
- Office
- Facilities
- Administration service
- Other business operational service

Indekita is a *start-up*, acts as a forum for raising funds and guidance to encourage young generations of Indonesia to concept their ideas and to make them happen and can make it happen. Indekita through its webpage acts as a place to write concept of idea and opinion and interact with other innovators to share comments and suggestions, move actively to help each other in order to raise funds together so that those ideas and innovations are actualized into real business. Besides that, Indekita also attempts to encourage Indonesian people to help make a change for this country, by contributing their ideas and innovations.

During its development process, Indekita has experienced a quite significant growth only after a few months after this website was launched. Visitors showed high responses, indicated by the number of questions traffic on the session provided on this website, and based on the number of users subscribing on this website. At the beginning of website introduction on February 2016, centered in the campus area of Shipbuilding Institute of Polytechnic Surabaya, Indekita received 40 registered new users and continued to reach 1,073 registered users as the members of Indekita, who come from various group of people. Until recently, 57 ideas have been published and received likes from 9,789 people, donations gathered have reached 79.8 million, and 29 ideas have been funded or actualized.

METHOD

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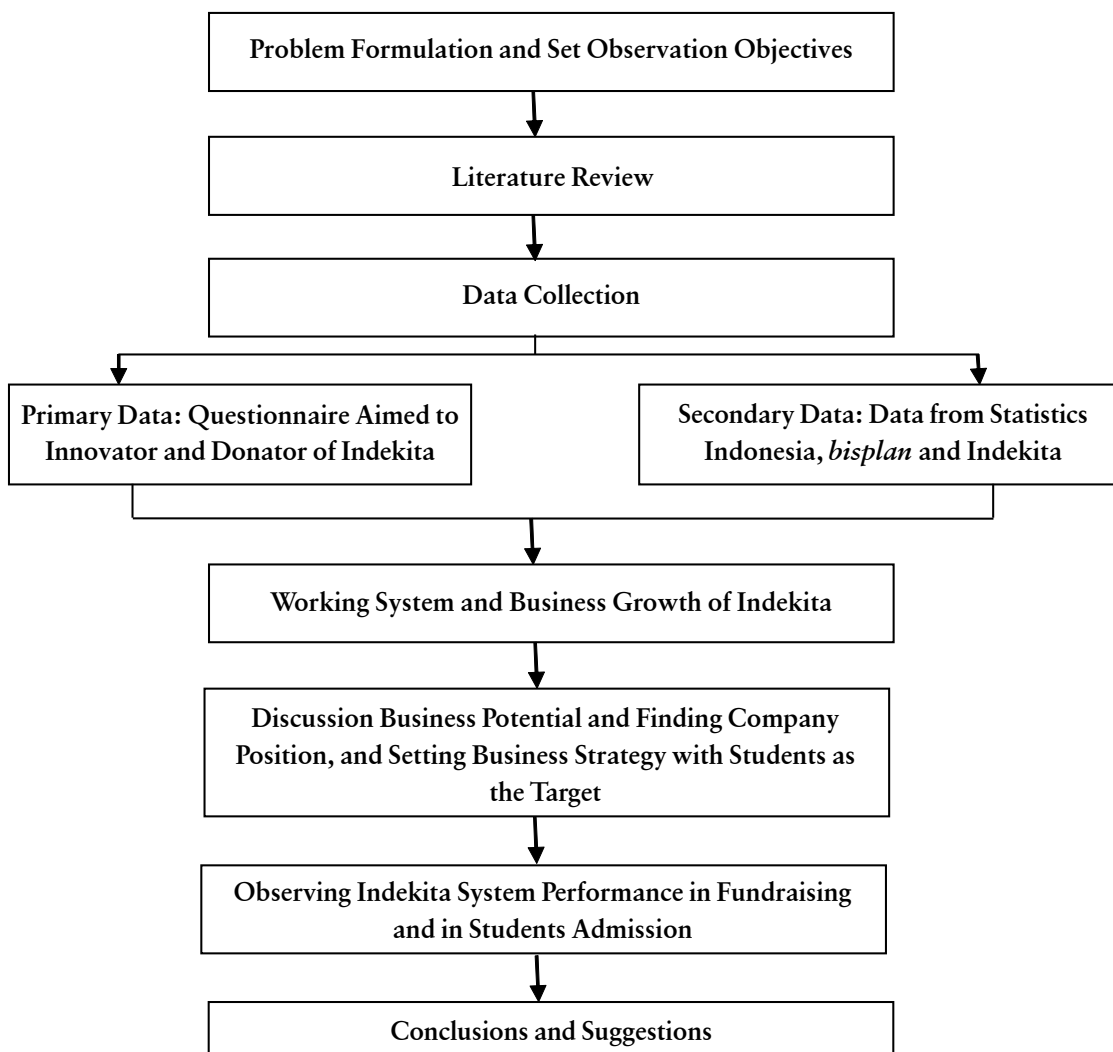
Figure 1. Observation Flowchart

Data collected and used in this research consist of primary and secondary data. Primary data is data directly obtained by the researchers from primary sources of data as the result for distributing questionnaires at innovators and donators of Indekita. Secondary data is data obtained from existing documents. In this study, documents categorized in secondary data are Business Plan document and documents from Statistics Indonesia. Sources of primary data are the students and people as market segment since they all have opportunity to become consumers.

The researchers used closed-questionnaire as instrument to collect data, by distributing it through email and later by asking the respondents directly. The questionnaire consisted of checklist questions, where the respondents could answer the questions by ticking on the column provided, expected to give information on how Indekita has grown as a place for fundraising and incubation for students' entrepreneurial idea,

growth rate of entrepreneurship in Shipbuilding Institute of Polytechnic Surabaya after Indekita was launched, and users' response on Indekita work system. The results obtained from the questionnaires were in form of quantitative data, the respondents were a community of 98 indekita donors and students of Shipbuilding Institute of Polytechnic Surabaya, where 32 of them gave the data directly and the other 66 responded to the questionnaire through email.

RESULTS AND DISCUSSIONS

Indekita focuses on ideas and entrepreneurial innovations from young generations of Indonesia with aims to accommodate and actu-
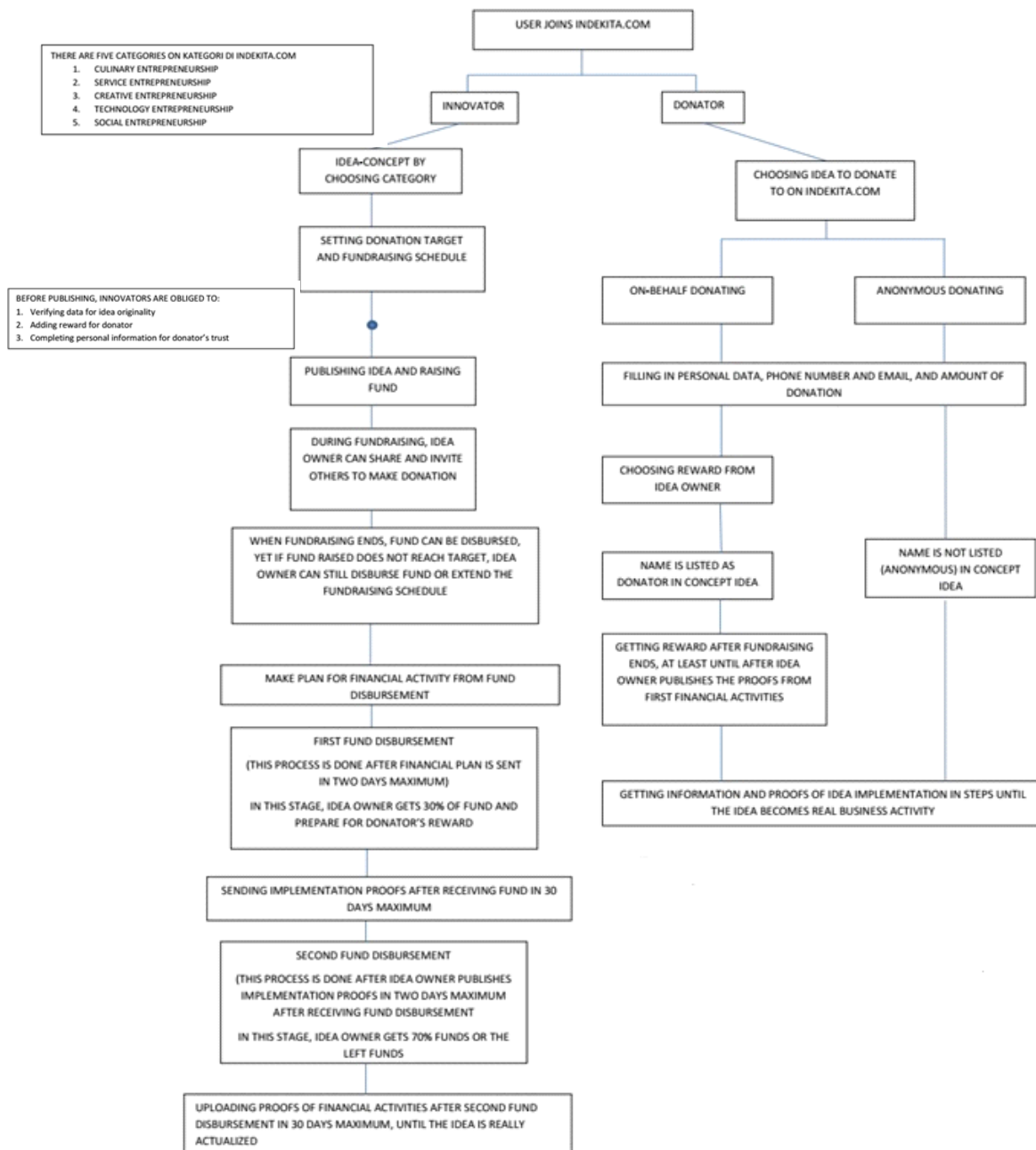
Figure 2. Fundraising Flowchart

alize those ideas and innovations to become new job opportunities and improve economic growth of each and every region in Indonesia. Indekita uses incubator concept, which is a program designed to foster and accelerate a business into succeed through a series of business coaching program. The goal of this program is to make business into profitable company with good organization and financial management, and into sustainable company with positive impact for the society. In addition to that, Indekita also applies fundraising concept that adopts joint system or online donations that are used to fund business concepts that have been coached completely.

There are two main users of Indekita:

- Inovator, is the group of users with concept of ideas and fundraising in indekita. Before ideas are funded, each innovator is required to verify personal data in form of ID card, self-portrait/picture for verification and additional rewards for donors, and complete his or biography. These steps intend to make sure that the idea is really owned by the innovator and to be established as a real business.

- Donator, is a group of users who fund the innovators' ideas or innovations. Donator falls Donors fall into two categories, namely on behalf donator and anonymous donator. On behalf donator is those who donor by their real name, where their name are announced and be entitled to receive rewarad from the ideas' owner, while anonymous donator is those who make donations but refuse to receive rewards or be listed as donator.

Indekita divides its working system into four phases. First, the stage of conceptualizing ideas and fundraising. At this stage, young people and students can conceptualize ideas and raise funds to realize their ideas, determine donation target and amount, and add reward. Indekita requires all its innovators to verify data in form of uploading ID Card and completing biographical data and photos marked with verification from Indekita, with intention that those ideas are funded to actualize the ideas and to protect donators, thus increasing their trust.

Second, the stage of fund disbursement. This process is carried out in two days after after the fundraiser ends and the idea owner already completes the form at least in 30 days. If after the fundraising ends, the amount of donations collected does not reach donation target, the idea owner can choose 1 of 2 options provided: firstly, the idea owner can extend the fundraising period or continue the fund disbursement with consideration of the Indekita team. Fund disbursement is divided into two; 30% of the fund will be disbursed first, and the 70% will be disbursed in a maximum of 30 days later, after the idea owner publishes the report of financial activities. If the idea is not implemented, the fund disbursement is canceled, the owner gets sanction, and the 70% fund remained are returned to the donators.

Third, the stage of rewarding. Before giving permission, Indekita requires each idea owner to add reward for the donators. At this stage, the reward is made on the first fund disbursement during 30 days period of time. If this is not possible to be done, then the rewarding stage will be extended to 30 days later in the second fund disbursement. The reward will be done directly by the idea owner to the donators since the idea owner will get the donators' mailing address and phone number. Rewards

are only given to on behalf donators and be listed on the page of idea fundraising.

Fourth, the stage of implementation and publication. This stage is conducted after the idea owner receives the funds, and publication can be done periodically within 90 days. This stage is divided into three steps which are explained as follows:

- First step, every concept ideas that will accept donations when the fundraising ends are required to submit financial activities proofs or reports. Once the proofs are approved by Indekita, the proofs are uploaded to the idea owner's concept page to activate the fund disbursement. At this step, indekita disburses 30% of funds received for a 30-day maximum, while the owner idea should publish the financial activities of 30% funds in the form of gallery.

- Second step, after receiving confirmation from Indekita, the second fund disbursement (70%) is done and the idea owner must conduct a 30-day maximum second publication after the second fund raising.

- Third step, after receiving 100% fund, the idea owner will perform the last publication in a maximum of 30 days after the second publication.

Indekita Incubation System

Each idea owner becomes part of Indekita *start-up* community indekita, where all owners can gather and discuss their ideas together in order to develop their business and find solutions for problems or obstacles that they face. In this case, for idea maturation and preparation for further development, Indekita will also work with several parties who become mentors in a certain time, in order to share their knowledge and inputs for idea owners. This *start-*

up community has no time limit, where owner ideas can join at any time to build mutual help and contribute altogether. Indekita also implements incubation system that all idea owners can join, which takes place once in three months. This incubation stage is divided into 3 activities as follows

- Checking idea readiness, before fund disbursement, Indekita with mentors will check idea readiness through financial reports in distributing fund, sorting priorities for fund use so that the funds are used appropriately.

- Debriefing marketing and concept development, a stage where idea owner are invited to discuss together with other owner and mentor in order to gain insight into potential market and more explanation on how their ideas are marketed, accepted by society, and develop their business.

- Production readiness and market test. In this stage, owner idea will conduct some market tests to obtain public opinion against the tested product.

This start-up community program has begun in August 2016, followed by at least 16 ideas that have been translated into real businesses under cooperation with Shipbuilding Institute of Polytechnic Surabaya and GARDHU APIK as a place for discussion and coaching ideas. This community activity has become our efforts to improve entrepreneurial ideas development that have been successfully raised funds in Indekita, where we work with several mentors for broad knowledge and insights.

Implementation of Indekita for Student Entrepreneur Activity

Indekita has a promising business opportunity, based on the need for increasing number

of entrepreneurs in order to stimulate the economic growth of Indonesia and its readiness of Indonesia to compete with other ASEAN members in ASEAN free market. In addition to that, this is also to meet the needs of young generation of Indonesia to actualize their entrepreneurial ideas. By maximizing technology, Indekita can now reach all young generation in each region of Indonesia in the area to help develop their ideas and to actualize them into business.

The system of Indekita is applied in Shipbuilding Institute of Polytechnic Surabaya through entrepreneurship course that is joined by five classes from study programs in the Institute. Through this course, some students are invited to join the community and concept their ideas. Fundraising takes place in several months and at the end of fundraising activities, all students are led to make financial report before fund disbursement. Indekita monitors the growth of entrepreneurship through the gallery of implementation provided on the website.

At the beginning of website introduction on February 2016, centered in the campus area of Shipbuilding Institute of Polytechnic Surabaya, Indekita received 40 registered new users and continued to reach 1,073 registered users as the members of Indekita, who come from various group of people. Until recently, 57 ideas have been published and received likes from 9,789 people, donations gathered have reached 79.8 million, and 29 ideas have been funded or actualized.

Table 1. Data of Indekita Fundraising

Number of users	Data of innovator	Data of donator
1.073 users	62 users	793 Users
Users who register in Indekita as member	Users who concept idea and raise fund	Users who do donation checkout and donate
Total fund raised	Ideas contributed	Ideas actualized
79.008.000	57 ideas	29 ideas are funded
Funds from Indekita donators	Innovator who raise funds	Idea being funded as business capital

Activities of Indekita on campus is considered effective based on the data taken from

The following are figures for the obtained data:

FLEXIBLE	RESPONSIVE	COMMUNICATIVE
Ease of system, service of idea making, and donating	Fast response of fundraising process from donators donate to funds are received by idea owner	Information service and FAQs about Indekita activities

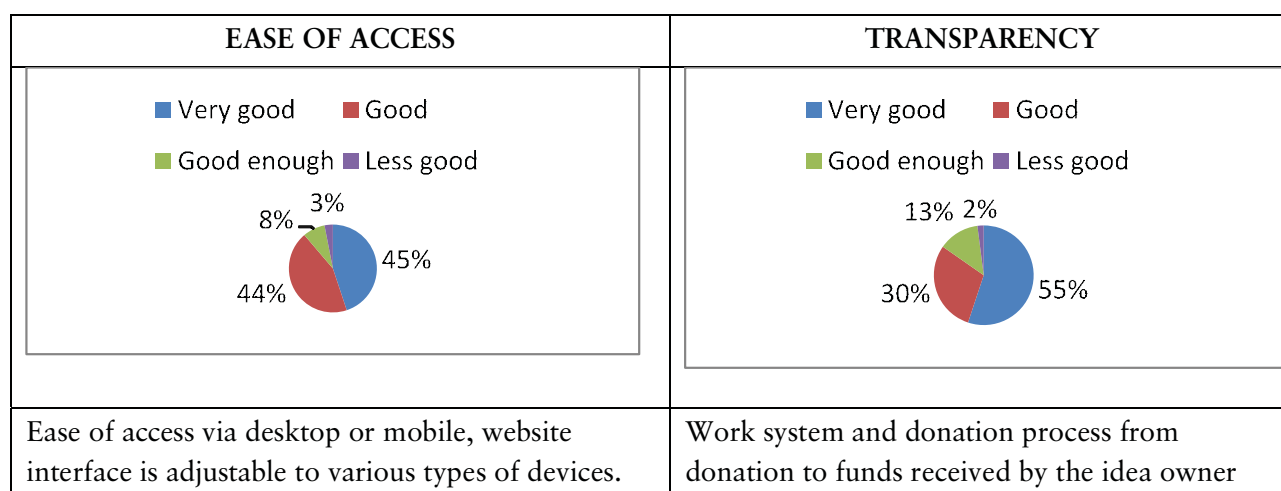| EASE OF ACCESS	TRANSPARENCY
Ease of access via desktop or mobile, website interface is adjustable to various types of devices.	Work system and donation process from donation to funds received by the idea owner

Figure 3. Percentage of Data from Indekita Respondents

both direct and e-mailed questionnaires distributed to several innovators and donators. The activities are considered as effective based on the criteria provided by Indekita, which are flexible, responsive, communicative, ease of access and transparency. The assessment for each indicator consists of five responses: Very Good, Good, Good Enough, and Less Good and the result is displayed on Table 2.

Table 2. Data of Respondents for Indekita Questionnaire

TOTAL RESPONDENTS	DIRECT QUESTIONNAIRE	BY-EMAIL QUESTIONNAIRE
98	32	66

Based on the information displayed in Figure 3, Table 3 sums the result of data of aspects given from 98 Indekita users as respondents.

Table 3. Data of Questionnaire Aspects by Respondents

ASPECT	RESULT
FLEXIBLE	VERY GOOD (78% = 76 RESPONDEN)
RESPONSIVE	GOOD (55% = 54 RESPONDEN)
COMMUNICATIVE	GOOD ENOUGH (37% = 36 RESPONDEN)
EASE OF ACCESS	VERY GOOD (45% = 54 RESPONDEN)
TRANSPARENCY	VERY GOOD (55% = 54 RESPONDEN)

From Table 3 it can be seen that almost all Indekita users are satisfied with its working system, in terms of its donation system flexibility, conceptualizing idea, fast response of data service, ease of access through desktop and mobile phone, and transparency of fundraising activities, while aspects that need improvement are information service and communication.

Based on the level of acceptance by both innovators and donators of Indekita and based on the data of campus entrepreneurial growth rate in Shipbuilding Institute of Polytechnic Surabaya, which is very good, some of the positive impacts are as follows:

- Increasing the number of campus entrepreneurial, which is fundraising to actualize 29 ideas into business in Shipbuilding Institute of Polytechnic Surabaya.
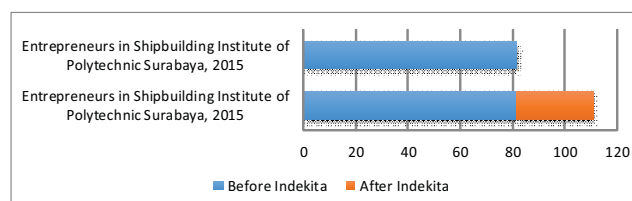

Figure 4. Percentage of Increasing Number of Entrepreneurs in Shipbuilding Institute of Polytechnic Surabaya, 2015

- Students who have entrepreneurial ideas no longer hesitate to realize their idea. Indekita exists to facilitate their ideas by fundraising. Students no longer hesitate to concept and share their ideas. Figure 5, there have been 59 ideas from innovators who conceptualize their ideas on Indekita and in Figure 6, there have been 793 donators who have donated to fund ideas.
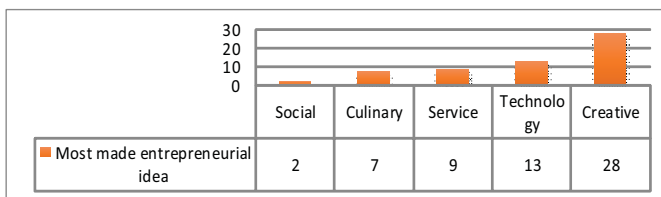
	Social	Culinary	Service	Technology	Creative
Most made entrepreneurial idea	2	7	9	13	28

Figure 5. Percentage of Most Made Entrepreneurial Idea

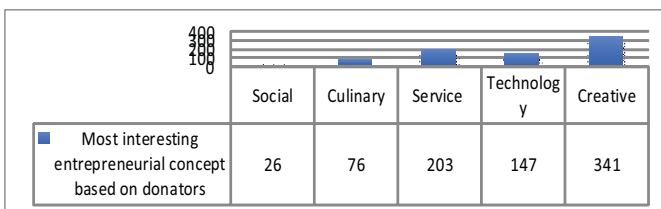|	Social	Culinary	Service	Technology	Creative
Most interesting entrepreneurial concept based on donators	26	76	203	147	341

Figure 6. Percentage of Most Funded Entrepreneurial Idea

- Increased entrepreneurial insight through incubation program, so that students are able to read market segmentation, market position placement, determine advantages of their products, and able to compete in the market.

Indekita is able to make real contribution in meeting the needs of today's young people who are confused to find place for their ideas. Through Indekita, students will be able to conceptualize ideas, raise funds, encourage more people to comment and help develop their ideas as well as to improve their products through incubation activities done within this start-up community. The advancement in various fields in this globalization era also indirectly support Indekita to grow continuously and become the central website that produces entrepreneurs in Indonesia.

CONCLUSION AND RECOMMENDATION

Conclusion

Implementation of fundraising system and business incubation through indekita.com can be demonstrated by focusing ideas on inovative entrepreneurial business. There are four working systems, namely conceptualizing ideas with fundraising, fund disbursement, rewarding, and implementation with publication. After these four things are done, the next stage is business incubation which is divided into three things, namely checking idea readiness, marketing and concept development, and production readiness and its market test. Besides that, through these two concepts, students can obtain funds and develop business concepts so later can create business that enhances society competitiveness and provide job opportunities in each region through entrepreneurship.

Limitation

This research is limited to explanation on what the researchers have found during the research process, so this article is limited on discussion about real condition and problem. This limitation is also due to the researchers' time limitation in writing the research article, and the research object which has large coverage, yet this can be recommendation for future researchers who are interested to conduct research on similar topic or focus.

Recommendation

In order to produce new entrepreneurs to enable Indonesia to compete in the ASEAN Economic Community 2016, we need supports from all parties, especially from the Institute, in encouraging and accommodating students' entrepreneurial ideas and innovations in form of cooperation with the government, community, both foreign and local entrepreneurs, as well as investors.

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