LAPORAN HASIL PENELITIAN

CORE COMPETENCIES AND BUSINESS PERFROMANCE SUPPORTING BUSINESS RESILIENCE: LITERATURE STUDY ON THE CASE OF START-UP BUSINESS FAILURE IN INDONESIA

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ABSTRACT

The emergence of start-up companies that have hit almost all countries in different parts of the world cannot be separated from the rapid development of information technology, including in Indonesia. Start-up companies, whose initiatives and ownership are dominated by the millennium generation, are inevitably able to give birth to a glimmer of high hope about the bright business world in the future. Three main principles, namely speed, convenience, and efficiency of transactions, and their massive emergence in various business fields, were welcomed by various groups, both industry agents themselves and consumers. However, in mid-2022, the business world in Indonesia was shocked by reports in various media, which informed about the number of start-up businesses that had gone out of business because they were no longer strong enough to finance their operations. Many parties are surprised by the bad information that is hitting companies in Indonesia. In addition to the phenomenon and the various issues that hit it, the rise of the emergence of start-ups in Indonesia, it is undeniable that it is too late to stimulate the business world and to be able to stimulate the national economy as a whole. The aim of this study is to analyze the importance of core competencies and conventional business performance measures in explaining the causes of failure of start-up companies in Indonesia. The core competencies analyzed are the capabilities, skills, and resources that must be possessed by an organization in any form in order to maintain business existence in both the short and long term. This business performance includes economic, financial, and social aspects. These two aspects are the basic skills and performance of companies as standard measures in the operation of a company, which are allegedly not optimally implemented in the management of a start-up business in Indonesia. This research approach is conceptual through the study of literature and the use of secondary data.

Key words: start-up company, business performance, capabilities, skill and resources

CHAPTER 1

INTRODUCTION

Changes caused by the development of technology and information in the 4.0 revolution era, resulting in an unprecedented disruption. Changes that occur, take place so quickly and are no longer predictable, and hit almost all aspects of life, no exception in the business world. The order in the business world that has been running "normally", has been shattered by technological developments that occur, through mechanisms, replacing and changing all traditional patterns that have been running, with digital technology, which in its implementation and use is much easier, faster, and more efficient. also cheaper.

With the concept of an easier, faster and cheaper "carrying out", making digital technology able to be adapted to human needs, so that things that have been done traditionally and tend to take a long time, in an instant turn into very practical and tend to much more modern.

Just like what happened in other parts of the world, one of the phenomena of the disruption that was "pioneered" by the 4.0 revolution era was the emergence of start-up companies in various business fields, which grew like mushrooms in the rainy season, where in the future, companies started The -up managed to change the map of the competition, becoming more interesting and passionate.

The increasing number of start-up businesses in Indonesia, grows and develops in line with the increasingly massive number of internet users from year to year. Data obtained from bps.go.id and verified by dukcapil.kemendagri.go.id, the total population of Indonesia in 2020, as many as 273 million people. Meanwhile, according to data quoted from cnbcindonesia.com, the total number of Indonesian people who use the internet in their daily life reaches 76.8% or 214 million of whom are familiar with using the internet. So it is not surprising that this has attracted many parties to establish a start-up business in Indonesia.

According to data quoted from startuprangking.com (a site that specializes in researching startup developments around the world), until 2021, Indonesia has 2100 start-up businesses and is in fifth position, the country with the highest number of start-ups in the world. Several “original” Indonesian start-ups have been recorded as having entered the unicorn level (a start-up business with a unicorn level, when the company has a valuation value of US$ 1 billion or almost Rp. 14.8 trillion. Examples such as Bukalapak, Gojek , Traveloka and Tokopedia.Even specifically for Gojek, since 2019 it has entered the decacorn level, because the company's valuation has soared to US$ 10 billion or almost Rp. 140 trillion.

The Impact of the Development of Digital Technology in the Revolutionary Era 4.0

The development of digital technology in the Industrial Revolution Era 4.0, happened so fast. Many things were affected / many sectors were massively disrupted and even the changes that occurred were so basic, which surprised many parties, because they did not have time to prepare themselves to face such an extreme shift in patterns. Many parties do not suspect that the shifting caused by the development of digital technology is approaching the field they are currently in. So far, they have the belief that changes will occur periodically, with a predictable time period, such as changes that have occurred before. However, it turns out that the facts on the ground are very far from what has become a habit so far. It turns out that the disruption came earlier, "approaching" all the joints of human life, and destroying the order that has been running regularly.

There is not a single aspect of human life that is not disrupted by the development of digital technology, be it the education sector, the health sector, the tourism sector, the economic sector, and various other sectors. As in the field of education, nowadays people who live in rural areas or in remote areas, can get the same opportunity to access / attend quality education, through online distance learning. There have been many applications that facilitate and accommodate this, so that distance and place are no longer a barrier for those who live far outside the city to get a high quality education. Other examples include the tourism sector, with the development of digital technology, making people all over the world connected to each other, making it easier for them to know or learn in advance, the tourist places they will visit, just by "surfing" on the internet, without the need to go directly to their dream tourist location. Likewise, at this time tourists also have the convenience of ordering travel tickets or booking hotels where they will stay at the tourist attractions they will visit.

Many things have changed due to the development of digital technology in the era of the industrial revolution 4.0. Many jobs are extinct and replaced by artificial intelligence, such as toll road gatekeepers, bank tellers, admin accounting, and many other jobs that are extinct due to the development of digital technology. Likewise with the industrial sector. The change that is most noticeable and even becomes a worldwide phenomenon is the emergence of start-up companies (start-up businesses) that occur in various fields. As already mentioned, that one characteristic of the development of digital technology, is to make everything, faster, easier and cheaper.

Start-up businesses that have emerged as a result of the development of digital technology also carry the principles of convenience, cheapness and speed in running their business. So it is not surprising that many start-up businesses have sprung up in all areas of life. Many parties are interested in getting involved in the start-up business. This is in line with the increasing understanding and use of the internet among the public. The internet is no longer used just to send e-mails, or just looking for information, but has even been used to establish a start-up business.

Start-up Business failure in Indonesia

Until the third quarter of 2021, the increase in the emergence of start-up businesses in various types of businesses can be quite significant. This can not be separated from the massive news about the success that has been achieved by start-up businesses that have already been established (such as Gojek, Tokopedia, Bukalapak, Traveloka, and others), as well as the increasing spirit of entrepreneurship, especially among the millennial generation. All of these are the main factors in increasing the number of start-up businesses in Indonesia. Millennial generation is a generation or demographic group that comes after Generation X (Gen-X is a generation born in the mid 60's to late 70's).

In contrast to previous generations, millennials are a generation with unique characteristics, they have high “mobility”, they are also relatively anti-establishment, and like new things that are full of challenges and most importantly they really value comfort. in living life. So it is not surprising that many millennials choose to open, start, and run their own business, rather than working in a company that is full of regulations and prioritizes seniority in their daily practices. One thing that most distinguishes the millennial generation from previous generations is that they tend to have a relatively good level of education and knowledge compared to the previous generation, and are "more" familiar with technology.

With a high entrepreneurial spirit, a better level of education and a more capable mastery of digital technology, it is not surprising that the majority of start-up business ownership in Indonesia comes from the millennial generation. The excitement of the emergence of start-up

businesses in Indonesia has made the business world excited again. There are high hopes and hopes from various parties for a bright future brought by the millennial generation through start-up businesses. Even in the past 2-3 years, big companies seem "overwhelmed" in facing the aggressiveness of start-up businesses. Several large companies that have been around for a long time admit their defeat in competing with start-up businesses. Meanwhile, several other large companies, refusing to become extinct in an increasingly fierce competition, by cooperating with/inviting start-up businesses that are both involved in the same industry, to collaborate to become strategic partners that are mutually beneficial, as has been done by Transportation Companies. Bluebird in synergy with Gojek.

However, the glorious achievements of start-up businesses seem to be fading. And at the beginning of 2022, the public was surprised by the widespread news about the collapse of start-up businesses in Indonesia. Many start-up businesses are no longer able to navigate the increasingly fierce and bloody competition. So that the termination of the employment relationship of its employees can no longer be avoided, they do not have the funds to finance their daily operations. Where when examined further, the failure experienced by start-up businesses in Indonesia, was due to poor management and the strategy was still too raw, so that relative success had been achieved and was proud of by many parties, they could not maintain it in the long term.

Causes of failure of Start-up Business in Indonesia

From an initial analysis based on developing information, as well as in-depth discussions with various parties following the development of business start-ups in Indonesia, an initial conclusion can be drawn, that the cause of failure experienced by start-up businesses in Indonesia was due to a lack of competence and capability. in management, as well as insufficient resources, so that they are unable to support business resilience and business sustainability start-up businesses in the long term.

It is undeniable that sufficient competence and capability are needed in managing a business entity. The competencies and capabilities in question are not only seen from the educational qualifications they have, but what is also important is their managerial ability. Good managerial skills, of course, cannot be obtained in a short time. Sufficient process and experience are needed to form qualified managerial skills.

Good managerial ability can be seen from several aspects, such as:

- How to use the available resources effectively and efficiently.
- The extent to which the leadership carried out can provide added value to the organization and can be used as a role model that is able to inspire all members of the organization;
- How to formulate a great strategy and “can” implement it well, so that the organization's vision can be realized.

Research purposes

The purpose of this study is to analyze the importance of competence, capability and good management of resources, in order to improve business performance and support business resilience and business sustainability of start-up businesses in Indonesia in the long term.

CHAPTER 2

LITERATURE REVIEW

Core Competencies

A core competency is a company's collective knowledge of how to coordinate diverse production skills and technologies (Prahalad and Hamel, 1990). There are three aspects that must be met to identify the core competencies of a company (Prahalad and Hamel, 1990). The first is that the core competencies must be applicable to the creation of new types of products, or in other words to provide potential access for companies to a wide variety of markets. Good core competencies are core competencies that make it easier for organizations to be able to create new products. The creation of new products is obtained from synergies or learning of a skill or knowledge that allows companies to create new products. This innovation is possible if there is the use of core competencies in order to support the sustainability of the organization in the long term. Second, core competencies must be able to make a significant contribution to the perceived value of customers from the products/services consumed. That is, the company's ability to create products with the support of existing core competencies must enable the company to meet the needs properly according to what is needed by consumers. Thus, the company will be able to create products or offer services according to consumer needs. Consumer value will be created as long as the benefits are proportional to the costs or the perceived benefits exceed the costs incurred. Third, core competencies must be able to differentiate a company from its competitors and are difficult to imitate. Core competencies cannot be specified only in one particular product, because core competencies contribute to the competitiveness of various products/services owned by the company. This uniqueness is a form of company positioning.

Research related to the analysis of core capabilities dimensions which include skills and knowledge, values & norms, culture, technical systems, and managerial systems (Dorothy, 1992); analysis of the role of core competencies to support company performance (Makadok & Walker, 2000); analysis of product innovation supported by the company's competence (Danneels, 2002); core competencies will support a sustainable competitive advantage (Kak & Sushil, 2002); core competencies make it easier for companies to diversify their business (Miller, 2004); competence with resources as well as capabilities will make the company have a competitive advantage and be oriented in the long term (Cheng & Yeh, 2007); the relationship between competencies, resources and capabilities to form in core competencies (Ljungquist, 2008).

Gavronski's research (2012) reveals five dimensions of sustainable operations strategy, namely external context, competitive dimension, strategic decisions, value chain operations operations, and organizational learning and knowledge. This study develops a framework for a sustainable operations strategy that is consistent with the five dimensions of a sustainable operations strategy. Core competence is the ability to master a job totally based on personal values or company values, both spiritually and ritually. Core competencies are able to determine the best work process, determine the right direction, make the right decisions, and act to realize the work with total capabilities based on values that have been integrated holistically. The company also has core values that are intended to form core competencies. The core competencies of employees that are sourced from core values can be seen through the work ethic and work skills of employees. Internalizing the company's core values into employee core competencies is not an easy job.

Companies need training, enlightenment, and systems that familiarize employees with core competencies from the company's core values. Usually, to make employees have core competence from core values, companies need time, patience, discipline, perseverance, and high morality.

Ljungquist (2008) proposes a model to underline the components that make up core competencies. The dimensions of the core competencies proposed are competence, capability, and resources. These three dimensions are considered to be a bridge to understand all these dimensions are the roots of forming core competencies in the long term. By understanding all three aspects at once, companies can understand the interrelationships with each other so that they can formulate a better and more aligned strategy. Each dimension of core competence proposed by Ljungquist (2008) is a conceptual proposal. The explanation of each competency dimension is taken from several supporting and relevant reference literatures to explain the concept of core competence. Related to the competency dimension, the competency explanation is taken from Bartram (2005) which shows eight important competencies that exist in the organization. Related to the company's capabilities, this study uses the concept of Grant (2010); while for the explanation of the resources taken from Thompson et al. (2018).

a. Competence

Kawshala (2017) defines competence as a unit of ability, commitment, knowledge, and expertise that makes it easier for a person or organization to act effectively on a job. Ljungquist (2007) argues that competence is something that exists in individuals and teams related to expertise. Javidan (1998) emphasizes that competence is an integration between functions and coordination between capabilities and a number of expertise and know-how in a business unit. Danneels (2002) argues that competence is divided into functional aspects and integrative aspects. The functional aspects are related to the aspects that are needed routinely to support business processes, while the integrative aspects are new competencies needed to simplify the activities and business processes that are carried out.

Competence is a number of behaviors that become a medium to convey the expected results (Bartram, 2005). In a business environment, this behavior is needed to achieve business goals. Bartram (2005) points out eight important competencies that exist in organizations.

a. Leading & Deciding. It is related to leadership, taking initiative, giving direction and being responsible.
b. Supporting & Cooperating. It is related to providing support and showing respect to others.
c. Interacting & Presenting. This aspect is related to communicating and developing partnerships.
d. Analysis & Interpreting. This demonstrates the ability to think analytically and apply skills effectively.
e. Creating & Conceptualizing. This aspect includes the ability to create new ideas and have experience including creativity.
f. Organizing & Executing. This includes planning and working systematically and following directions and procedures.
g. Adapting & Coping. This includes the ability to adapt and respond well.
h. Enterprising & Performing. It focuses on individual work results and achievements.

b. Capability

According to Thompson et al. (2018), organizational capabilities have more complex characteristics than resources. Existing resources are an inherent part of the organization into organizational capabilities that include all aspects of knowledge that are also inherent in people,

including intellectual capital, processes and systems that exist in the organization. Capabilities can be formed from resources so that resources can form organizational capabilities. Grant (2010) argues that capability is an organization's ability to optimize resources to achieve organizational goals in the short and long term. This capability is owned to improve the capacity of better organizational resources. Capabilities are created through the development and exchange of information among employees. Thus, capability becomes something that adds value to the resources owned. Collis and Montgomery (2010), argue that capability is the company's ability to deploy and integrate a number of resources to support the creation of the expected results. According to Grant (2010), companies are able to classify capabilities using two approaches, namely functional analysis and value chain analysis. Functional analysis identifies capabilities related to functional principles related to management aspects. Value chain analysis is related to all the dimensions that exist in the main activities and supporting activities in business processes.

Functional analysis includes a number of elements as follows.

- Corporate functions. This function includes the ability to carry out financial control, management management, strategic innovation, the ability to coordinate between business units, acquisition management and international management.
- Management Information. This is related to the use of information systems to support business processes as well as to facilitate fast and efficient decision making.
- Research and Development. This aspect is related to the capability to conduct research, related to the development of innovative new products, the development of new products with fast cycles.
- Operation. This is related to efficiency in manufacturing processes, continuous improvement in business processes as well as flexibility and ability to provide quick response.
- Marketing and Product Design. This relates to capabilities for design, brand management, building a reputation for good quality, and having a responsive attitude to market trends.
- Sales and Distribution. This includes capabilities for sales promotion and execution, speed and management of client projects, and delivery of good service to clients.

c. Resource

Resources are productive inputs or competitive assets owned and managed by the company (Thompson et al., 2018). Companies have different types of resources in the form of type and quality. Some companies have more qualified resources and have a greater level of competitiveness than other companies. Thompson et al. (2018) classified the types of resources into two main categories, namely tangible and intangible resources. This resource category helps the company to be able to identify the resources it has in order to become a competitive advantage and can be optimized related to further strategy formulation.

Tangible resources are the easiest to identify, see and measure. Intangible resources are resources that are not easily seen but become a company's competitive asset in the long run. Tangible company resources according to Thompson et al. (2018) covers four main aspects of the company, namely:

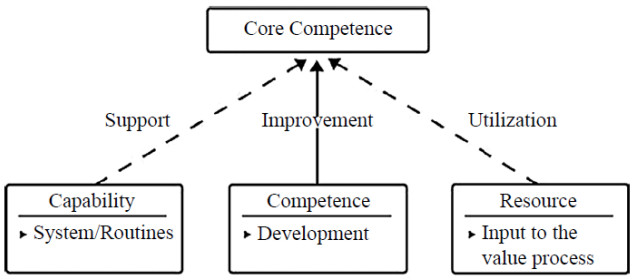
a. Physical resources. These resources include land, buildings, factories, equipment, distribution facilities, raw materials, and ownership of natural resources.
b. Financial resources. These resources include cash and cash equivalents such as shares, other securities assets and the ability to make loans.
c. Technology Assets. These assets include patents, copyrights, production technologies, innovation technologies, and technological processes.

d. Organizational resources. These resources include technology, communication systems, control systems, organizational design and work reporting structures.

In addition to tangible resources, companies also have intangible resources. These intangible resources include the following aspects.

a. Human assets and intellectual capital. This includes workforce education, experience, knowledge and talent, cumulative learning, and employee knowledge. This collective learning is embedded in the organization. Intellectual capital and understanding of employee know-how include leadership skills, understanding of business functions, management talent, creativity, and innovation power.
b. Brand, corporate image and reputation assets. This includes brand name, trademark, product image or company image, consumer loyalty and goodwill, company reputation for quality and service, service, reliability and reputation of suppliers and partners.
c. Build relationships. Forms of relationships developed by companies such as alliances, joint ventures, and other forms of partnerships, for example, that provide access to technology, know-how, network, distribution and confidence from partners.
d. Organizational culture and incentive system. This includes behavioral norms, business principles, and beliefs in the company, employees' emotional attachment to the organization, compensation systems and employee motivation in the organization.

The framework of this research refers to the research of Ljungquist (2008) which proposes a core competency model and its accompanying dimensions. Core competencies are the links between capabilities, competencies, and resources. Each of these dimensions is directed to become the core competence of an organization. Capabilities are a system or can be a routine. As a system, capability is dynamic, which can change according to changes in the business environment, while it is routine, meaning it is something that supports business processes as they should. Related to competence, there are functional aspects and integrative aspects. The functional aspects are related to the aspects that are needed routinely to support business processes, while the integrative aspects are new competencies needed to simplify the activities and business processes that are carried out. Related to resources, resources are the most core elements in the organization. Resources cannot be useful if they are not used to support business processes and not all resources will be used to support business processes. However, resources will be utilized (utilization) to support business processes.



Picture 2.1. framework of this research
Source: Ljungquist (2008).

Business Performance

Today the problems faced by managers and company leaders are increasingly complex and complex. For this reason, the organization must be managed properly, so that the business performance of an organization can increase in a sustainable manner (Manik, Hilda and Gani: 2021). Business Performance is the company's ability to adapt to the business environment, accompanied by changes in the market environment that includes customers, competitors and other forces that can change the way business works (Rekarti and Doktoralina: 2017). Veliu and Manxhari (2017) state that business performance is indicated by the effectiveness of an organization in terms of financial and non-financial performance, where financial performance is indicated by financial efficiency and profit measures, while non-financial performance includes customer satisfaction, sales growth, employee growth. , market share, new products, product quality, marketing effectiveness and added value. Business performance starts from goals, which are the main components that help formulate initiatives in planning, progress, reward, and improvement. In order for strategic goals to be achieved, organizations must focus on critical success factors and ensure that planning, budgeting, forecasting, and reporting are aligned with their goals (Gruenbichler et al: 2021). Added by Aini et al (2017) organizations must be innovative in order to survive in a constantly turbulent environment. Organizations with high innovation capabilities will be able to respond to challenges more quickly and can exploit new products and market opportunities better than non-innovative organizations. Meanwhile, Jyoti and Sharma (2012) stated that an organization's business will not be able to improve its performance without change. Change must be positively directed towards achieving results, providing customer service and satisfaction, and generating profits. Therefore, the business performance of an organization must be clearly formulated and structured. Clarity of business performance can be started from determining the goals to be achieved by the organization. Goal setting is the main component that helps organizations formulate other important things, such as: initiating plans, measuring progress or awarding achievements. Without clear goals, time and energy are spent on various activities, often wasted and contribute very little to the success of the organization.

Business Resilience

In the midst of conditions full of uncertainty, organizations are required to have resilience or high competitiveness. This needs to be done, so that the organization can continue to be relevant to the changes that occur. The demands have their own competitiveness, indirectly challenging the organization to be able to create and implement the right strategy, so that the organization is able to fight and compete in an increasingly fierce competition.

Business resilience itself is defined as the ability and capacity of an organization to withstand unexpected changes, discontinuities between products produced and consumer demand and environmental risks. Therefore, organizations must innovate. Because through innovation, it will help the organization to survive in the long term (Carvalho et al, 2016). Added by Alias et al (2019) that Basically, organizations through creative individuals will always try to find solutions to the challenges they face. Therefore, it is necessary to continuously strive for a conducive environment, in order to encourage employees to bring out their creativity, in order to achieve organizational success. In other words, to create business resilience, a creative climate is needed within the organization. Because one of the factors of business resilience is the support from

creative employees. Therefore, organizations must develop practices and develop policies that encourage creativity in order to create business resilience.

According to Wishart (2018), business resilience is the company's ability to absorb, learn and develop specific capabilities to deal with challenges, disruptions and changes that can threaten the survival of the organization. Meanwhile, Saad et al (2021) stated that business resilience can be defined by the combination of the "capability portfolio" owned by the company, in maintaining the company's overall performance in the midst of unfavorable conditions. According to Linnenluecke (2017) Business resilience is generally seen as a characteristic that an organization wants to have, in order to face various types of difficulties. Prastian, Setiawan and Bachtiar (2022) state that business resilience focuses on risk awareness, risk protection, competitive advantage, innovation, strategic management and resilience in the supply chain.

CHAPTER 3

METHODOLOGY

This research is a qualitative research using literature study. Literature study research is considered as one of the research methods carried out by reviewing various existing literature, both sourced from books and various other literatures such as national journals, international journals, and sources from other online media. The stages in this research use the approach of Sethi & King (1998). This literature review process is a sequential stage starting from the stages of collecting information, knowing, understanding, applying concepts or theories, analyzing, synthesizing, and evaluating.

CHAPTER 4

DISCUSSION

Analysis

Competence

The core competencies described in this study are based on the Ljungquist (2008) core competency dimensions which consist of competencies, capabilities and resources. Competence is considered as a way to achieve the results that have been set by the company. Bartram (2005) said that the competencies possessed by business actors in general are a number of abilities which include 1) leading and deciding; 2) supporting and cooperating; 3) interacting and presenting; 4) analysis and interpreting; 5) creating and conceptualizing; organizing & executing; 6) adapting and coping; and 7) enterprising and performing. These competencies are not only limited to organizations with a certain scope. Organizations with all forms and certain scopes are expected to have these competencies in order to be able to manage the organization well and be able to survive in the long term.

Sunder et al. (2019) has mapped dynamic capabilities that can be used as a reference for companies in all forms and types to survive in the long term. The company is expected to have the following capabilities.

1. Organizational resources which include human resources, financial resources, infrastructure and technological resources, information, knowledge and organizational systems, and network & relationships.
2. Organizational processes which include work-progress, behavioral processes, and change processes.
3. Endogenous factors which include organizational culture, leadership, managerial actions.
4. Exogenous factors which include understanding competitors, suppliers, market influence, social, economical and regulatory as well as legal factors.
5. Short-term outcomes which include competitive advantage, performance & profit, value creation.
6. Long-term outcomes which include long-term competitive advantage, market share and value sustenance.

According to Perdana (2021), the main competence possessed by business actors, especially those developing start-ups, is the initial ability related to creating and conceptualizing ideas to carry out business execution. They tend to be easy to make decisions without being able to understand the idea well. Decisions are made too quickly by focusing on the short term. They tend to imitate other business actors, so they tend to follow the strategies of other start-up business actors and are oriented towards the desire to earn high and easy profits. Bestari (2022) also points out that the failure of start-ups is the inability to understand market needs. The competencies possessed should be related to analysis and interpreting, namely the ability to think analytically and apply effective skills. Business actors are not able to understand the needs of the market as the target market. They only produce or offer products without understanding the needs of the target market. This is also not preceded by research activities so that the limited ability of business managers to understand their needs and desires properly is not realized.

Capability

Grant (2010) argues that companies have functional and value chain capabilities. Related to functional aspects, these elements are related to the ability of start-up managers to optimize existing capabilities. There are a number of elements that are known to cause the failure of start-up businesses related to functional aspects (Bestari, 2022).

a. Improper planning. Planning that is not done properly causes business managers to have no direction to carry out business activities. Planning has indeed been carried out but for the long-term orientation it seems that it is not focused so that it is more oriented to achieving short-term performance. Urban and Naidoo (2012) emphasize that in companies that are still on a small or medium scale, the ability to formulate plans is very important. This planning can cover a number of aspects, namely 1) the company is able to determine the time for the development of new projects or new products, 2) the company is able to determine the design for new products, 3) the company is able to allocate materials, capacity, production and also other resources to develop product or just.
b. Lose the competition. Regarding the ability to not be able to compete, start-up business people do not do research first. The consequence is that business actors do not get good information related to the competitive map, so they are unable to prepare strategies properly.
c. Products that are not relevant to the user. This is also due to the company's limited capabilities related to marketing strategy and product design. The products offered by the company are not analyzed first. The company's orientation is more on the company's side rather than consumer desires, so that the existing products are not relevant to the wishes or needs of consumers.
d. Products without a business model. The business model is needed because it becomes the basis for the company to understand the target market and the supporting business activities. Start-up actors are considered not to develop a good business model. The decisions made are based on anticipating rapid market needs so that the development of business models is not optimal or does not exist at all. Business models such as business model canvass from Osterlwader and Pigneur can be a reference in developing business models for start-ups in the future. Osterwalder and Pigneur (2010) proposed a canvas consisting of nine elements, namely

   1) Value propositions, namely this is the value or benefit offered to the target market and becomes a positioning for the company. .
   2) Customer segments, namely groups that are used as targets to be served by a company because they are considered profitable.
   3) Customer relationships, namely the company's efforts with specific customer segments with the motivation for customer acquisition and retention to maintain and improve performance.
   4) Channels, namely the company's way of conveying messages, delivering, and interacting with the customer segment to convey the value proposition.
   5) Key resources, namely the resources needed by the company to support the creation of a value proposition for consumers
   6) Key activities, namely the company's main activities in producing products or services.
   7) Key partners, namely partners who support business activities.
   8) Cost structure, which is all the costs needed to operate the business.
   9) Revenue streams, namely the company's ability to generate money from each target market.

e. Bad marketing. This bad marketing is also the cause of the failure of start-ups to survive in the long term. Managers tend to have a product orientation to sell quickly, so they apply

promotional strategies that tend to be aggressive. This strategy aims to persuade consumers to make purchases quickly.

f. Ignore customers. Start-up companies tend not to manage relationships with consumers well. Ability to maintain relationships with customers, needs to be improved. Companies need to focus on the emotional side through good communication with consumers on a consistent basis. Thus, good relationships with consumers can be built continuously. Ljungquist (2013) argues that the competencies possessed by companies include how to maintain good relationships with consumers on an ongoing basis. This is an important aspect of the uniqueness of the organization. Not all organizations are able to maintain good relations with consumers. The ability to maintain relationships with customers can be the strength of an institution.

g. Product launch is not on time. The company's ability to determine the timing of product launches is also a problem in itself. Start-up companies have difficulty in determining the right time to launch a product. Mistakes in choosing this time will cause consumers to tend not to pay attention to the products offered because of various factors, for example, there are the same competing products, the ecosystem does not support it, and there are certain economic conditions.

h. There is no harmonization between teams. Team harmonization in start-up organizations is also not well built. This team works on behalf of the organization and comes from each unit that works together to achieve organizational goals. However, the team's performance was not optimal so it could not support the achievement of the predetermined performance. This is due to the characteristics of start-up managers from the millennial generation who tend to be dynamic and willing to make quick decisions. The consequence experienced is that each member has his own idea and tries to make his idea executed. Strong teams need to be built to be able to cope with the rapid changes experienced by the organization.

Resource

Penelitian ini juga menggunakan data sekunder yang menjelaskan bahwa ada sejumah sumber daya yang tidak dimiliki oleh pelaku usaha start-up. Sumber daya merupakan input produktif atau aset kompetitif yang dimiliki dan dikelola oleh perusahaan (Thompson et al., 2018). Berdasarkan klasifikasi sumber daya Thompson et al. (2018), ada dua tipe sumber daya ke dalam dua kategori utama yaitu sumber daya tangible dan intangible. Sumber daya ini mendukung perusahaan untuk melakukan aktivitas bisnis agar menjadi keunggulan kompetitif dan mencapai kinerja lebih baik. Perusahaan juga harus mampu mencari dan mempertahankan kompetensi inti yang dimiliki oelh organisasi terutama mencari individu yang memiliki kompetensi bagus dan kompensasi yang menjadikan mereka tidak mudah berpindah dari satu perusahaan ke perusahaan lain (Kuiate & Noland, 2019). Bestari (2022) juga menunjukkan bahwa kegagalan start-up adalah ketidakmampuan memahami kebutuhan pasar berdasarkan kurangnya sumber daya yang dimiliki oleh organisasi.

This study also uses secondary data which explains that there are a number of resources that are not owned by start-up businesses. Resources are productive inputs or competitive assets owned and managed by the company (Thompson et al., 2018). Based on the resource classification Thompson et al. (2018), there are two types of resources into two main categories, namely tangible and intangible resources. These resources support the company to carry out business activities in order to become a competitive advantage and achieve better performance. Companies must also be able to find and maintain the core competencies possessed by the organization, especially looking for individuals who have good competencies and compensation that makes it difficult for

them to move from one company to another (Kuiate & Noland, 2019). Bestari (2022) also shows that the failure of start-ups is the inability to understand market needs based on the lack of resources owned by the organization.

a. Guarantee fee. Start-up companies get funding from investors. This funding does not mean that the company is free to use the funds for business activities. However, business managers must optimize the use of these funds in order to get good performance. Unfortunately, business actors do not optimize the funding.
b. No funding. Not all start-up companies can afford the investment. Fund constraints cause this company to be unable to run its business optimally. This funding is needed to be able to carry out the planned activities.
c. Running out of money. In business activities, companies may lack funding in their business processes. This could be due to a lack of good planning. Good planning can help business managers to allocate the right funding for each planning process.
d. Leader ability. Leadership is an intangible resource. This leadership has an important role in directing the planning, coordination, implementation and monitoring and evaluation of business performance. Leaders also have a role to motivate all existing employees. In this case, start-up business people tend to lack good leaders. This shows that not all start-up leaders have good business planning and implementation skills. Start-up leaders are currently considered inclined to have a short-term orientation and lack a good business instinct. Ljungquist (2013) argues that the leader's ability as a company's core competence must also be equipped with the ability to sense, which means understanding the dynamic development of the fast business environment. Thus, companies can be more adaptive to formulate and adjust strategies better.
e. Improper team composition. A strong team is an important intangible resource. A good team consists of a number of personnel with their respective expertise that is synergistic. A business problem with a certain level of complexity requires a strong team to be able to solve business problems properly. The composition of the team that is not right can cause the organization's inability to solve problems properly.
f. Culture is not strong. Culture as a company resource that is intangible is an important aspect in coloring employee activities. Culture and accompanying values can be an emotional direction and unifier for all employees who work in the organization. Cultural internalization takes a long time. Meanwhile, start-up companies have a relatively short operating period, so the internalization of culture is not yet strong. The consequence is that in carrying out daily business activities, culture does not affect the implementation of work. A strong culture can actually color business activities better, because it will provide added value in every business activity. Bari et al. (2022) discuss that one of the company's strategic planning is to build organizational culture. Organizational culture is part of long-term thinking in organizations because culture formation takes a long time. Cultural internalization needs to be strengthened from the start so that employees who are members of the organization will have the same values and passion in raising the organization.

CHAPTER 5

CONCLUSION

Start-up business is one of the phenomena that emerged as a result of the development of digital technology that took place in the era of the industrial revolution 4.0. In Indonesia, the emergence of start-up businesses in various industrial sectors/in various types of business, was warmly welcomed by various groups, both private parties involved in the industrial world, the wider community, and from the government. Start-up business is predicted to be a business model in the future, which will replace the business model that has been running so far. Realizing the huge potential and future prospects, large companies whose existence has lasted for decades, many imitate the business models of start-ups, while some of them even take start-up businesses as strategic partners. However, at the beginning of 2022, there was shocking news that informed about the number of start-up businesses that had "collapsed", both old start-ups with large valuations, and start-up businesses that had only been established for less than a year with small valuations.

From the analysis accompanied by observations and research conducted by various parties, it was revealed that the downturn experienced by start-up businesses in Indonesia was influenced by three important factors, namely; the lack of competence and capability of the start-up business manager so that it affects the non-optimal use of available resources, which leads to the inability to improve the business performance of the start-up business. The lack of competence and capability of the start-up business managers who went out of business can be seen from the many mistakes in the organization's strategic decision making, such as: the products produced are not in demand by the public, incorrectly in determining the marketing policies that are implemented (promotions to setting the wrong price). , as well as inappropriate team composition, which causes inefficiency and ineffectiveness in the use of available resources / owned by the start-up business.

Therefore, what is experienced by start-up businesses above needs to be used as a lesson by business actors, that in managing an organization (whatever its type), competence and capability are needed from organizational managers, of course competencies and capabilities that are in accordance with the industry being involved. by the organization, so that the resources owned/available can be utilized optimally to improve business performance in the long term.

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APPENDIX

Monday, July 11, 2022

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