

The Development and Effectiveness of Business Strategy Model with A Partnership Approach for Growing Entrepreneurship

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ABSTRACT

Nowadays, the development of information and communication technology (ICT) for business purposes is very encouraging, and it has received tremendous responses in the business setting. This is not only due to the influence of ICT in the development of the business world in general, but also the influence of people's interest and ability in utilizing ICT for business, so that business becomes more productive. ICT can motivate people in business due to ICT's efforts to penetrate time and space. This research aims to develop business strategy model in entrepreneurship and investigate the effectiveness of business strategy model in expanding market reach. Business strategy model using a partnership approach that includes technology drivers (knowledge reuse, telecommuting, integration) and business drivers (industry, consolidation) is conducted. For the aspect of effectiveness, this study employed 'ethnographic' methodology and questionnaires for businessman (i.e., 37 respondents). This study also employed Technology Acceptance Model (TAM) to find out the effectiveness. The data were analyzed by using of the multivariate statistic method. Overall, this research has produced a business strategic model of entrepreneurship with a partnership approach and the effectiveness of business strategy model in reaching market share.

Keywords: Business Strategy Model, Partnership Approach, Entrepreneur, Entrepreneurship.

1. INTRODUCTION

Entrepreneurs are expected to improve their quality and live value. It requires the development of the level of knowledge, skill, and technology supporting by effective and efficient products to create a creative innovation. To learn fasters, entrepreneurs have advantages in terms of education, skill, behavior as well as round support [1,2]. Improving and maintaining their quality and live value is not only done by developing innovation through sustainable research and creating a market commodity, but also by identifying and exploiting more opportunities through emphasizing the potential to create a bigger intellectual resource, applying an innovative management practice such as bonuses, teamwork or proper activities based on their company strategy [3].

President Joko Widodo stated that entrepreneurial growth in Indonesia is still 3.1 percent, while developed countries are 14% [4]. According to the research done by

CB Insights, 42% of businesses fail because of no market need. The second most common reason that affects 29% of businesses is the lack of funds, the third reason with 23% is the lack of chemistry and teamwork between employees [5]. There are 582 million entrepreneurs in the world 22.5% of small businesses fail within the first year (The Hill) [6]. Thus, theoretically, various works of literature stated that the problem faced by entrepreneurs in term of achievement was the ability to take risks [7-10].

Furthermore, lacks access to capital, limited levels of knowledge and skill, geography, demography, and intellectual resource as well as unpreparedness inability to solve problems were also obstacles in the emergence of entrepreneurs. There was a different orientation between beginners and experts. To those who experts, they focused on specific attempts, matured planning, enriched ideas, and pay attention to situation and condition to open new fields; in contrast to the beginners

[8]. Other researchers stated that the expert entrepreneurs used effective logics, while the beginners used to predict and tend to read textbooks [9]. Some others stated that entrepreneurs were managers; the success managers have proven to have characteristics to lead and set direction, teach, instruct as well as be firm and inspired [10-11]. Thus, entrepreneurs not only make us able to obtain fund, hopes, desires, likes, glory, and any other accomplishments, but it can also make us smart enough to learn how to live life, solve problems, build cooperation, build independence, and handle bad situations

Superior technologies could also be used to develop the entrepreneur's performance. The presence of technology should give new insights to produce various startups including innovation and creation. Managerial ability, analysis, market prediction, communication, problem-solving and modal support were basics to improve entrepreneurship. Partnership approach in business strategy, to entrepreneurs, could encourage stakeholders to understand other competence and essential to determine system requirements in business operation [12] which was one of the six components in strategic maturity model [13] and also a part of the best practices map on customer's perspective [14]. The main purpose of this partnership approach was to minimize and even omit disharmonies between entrepreneurs that often impede progress. It was not only encouraged integration realization but also resolved collaborative informative problems [15]. On the other hand, the partnership was an important factor to be maintained by the entrepreneurs to create a good environment and give benefits to the social aspect and the sustainable organization [16]. A challenge within the business model with a partnership approach was a culture harmonization within the organization as the main requirement [17]. The entrepreneurs should consider the environment of the structured organization to support the natural process of understanding equality and reward from a different perspective.

This study is important to improve the performance of entrepreneurs. It aims to develop a strategic business model with a partnership approach so that entrepreneurship will grow and be more effective by using Technology Acceptance Model (TAM).

An entrepreneur needs partners to develop and create a conducive business environment, especially in the process of harmonizing the organization's culture by understanding the pattern of appreciation, knowledge, and organizational structure. Understanding means to respect each other and be equal in the aspects of one's performance orientation and organizations, service standard to customers and internal process, and the certainty to the career path and work security. The understanding was not only to support common goals, routines, and effectiveness but also to develop trust within the organization structure fig.1.

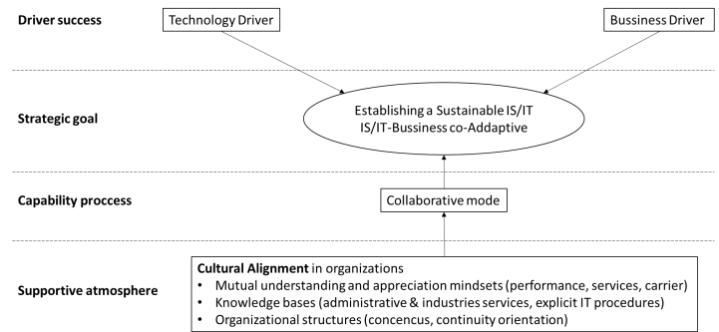


Figure 1 Conceptual framework.

Knowledge in the administration and service industries that ends with the need for IT-based procedures will naturally emerge, and the organizational structure must be able to facilitate a process of coordination and mutual agreement between the parties on an ongoing basis.

Such organizational culture will bring organizational capabilities following the demands of the current collaborative business model mode, where the synergy between performance and individuals becomes a determinant of success in building a sustainable IT. Surely, the main driver of this is to always pay attention to technological developments and business drivers.

However, rapid business and IT change are two important things that will be the main drivers in the modern strategic business planning process [18], both of which have the nature of uncertainty, liquidity, and fast nature so that determining the main element becomes a challenge. However, this can be determined based on trends in business and technology demand. System integration, big data, security, predictive analytics, and e-commerce are the main drivers of technology, while customer loyalty, revenue growth, product quality and service, product time to market are considered as the main elements of business drivers [19] based on table 1.

Table 1 Conceptual Framework: The Relationship Between Factors and Indicators.

	Factor	Indicator
Driver Success	Technology Driver	Integration System, Big Data, Security, Predictive Analysis And E-Commerce
	Business Driver	Customer Loyalty, Revenue Growth, Quality Product And Service, Product Time To Market
Strategic Goal	Establishing Sustainable IT	AIT-Business Co-Addaptive
Capability Process	Collaborative Mode	Intensive Communication, Active Negotiation, Commitment
Cultural Alignment	Mutual Understanding	Performance Orientation, Services Orientation, Carrier Orientation
	Knowledge Based	Administrative & Industries Services, Explicit IT Procedures
	Organizational Structure	Job Concensus, Continuity Orientation

The level of effectiveness and efficiency in the Business Strategy Model acts as a system needs to be known. Several models were built to analyze and understand the factors that influence the use of the Business Strategy Model. One measuring tool that can be used is the Technology Acceptance Model (TAM) [20-21]. The TAM model describes ICT user behavior based on beliefs, attitudes, intentions, and user behavior relationships. The purpose of this model is to explain the main factors of ICT usage behavior. The TAM model explains thoroughly through the acceptance of ICT with certain dimensions that can easily affect the acceptance of ICT by users. The TAM model places the attitude factor of each user's behavior with two variables, they are usefulness and ease of use which will explain user behavior. The TAM model has five constructive aspects, such as Perceived Ease of User, Perceived Usefulness, Attitude Toward Using, Behavioral Intention to Use, and Actual System Usage [21– 23].

The Perceived Ease of User implies the users' perception toward technology and trusts the Business Strategy Model to be an easy tool to measure. Some indicators of easy use in the Business Strategy Model cover easy learning, easy work and activity, easy improvement in user skills, and easy operation. There are some benefits of the Business Strategy Model, such as making learning easier, useful, increasing productivity, enhancing effectiveness, and developing learning performance

Perceived usefulness refers to the users' perceptions of the benefits as a trust measuring tool in the Business Strategy Model usage. Attitude towards the Business Strategy Model gives an impact when someone employs this in their learning. It also influences individual behavior. An attitude covers cognitive, affective, and behavioral elements.

Behavioral Intention to Use is the user behavior to continue the Business Strategy Model. The usage level of the Business Strategy Model by the student can be predicted from their attitudes toward it. For example, the user's desire to add peripherals supporting the Business Strategy Model, motivation to keep using it, and desire to motivate other students. The actual Usage System is a real condition in the use of the Business Strategy Model as indicated by the frequency and time duration

2. METHODS

The research method used in this study is an explanatory method of the causal relationship (cause and effect) of the variables observed and examined. Sampling was randomized from businessmen, industry, business observers, and other entrepreneurs, while data was collected using a survey method through a web-based questionnaire instrument for four months between September and December 2019. A descriptive statistical

analysis was carried out to examine the frequency of centering and data distribution about the characteristics of the sample (respondent) and indicators of the Perceived Usefulness (PU) variable, namely: faster (Y1), improve performance (Y2), more efficient (Y3), easier (Y4), increase productivity (Y5) and more effective (Y6). Perceived Ease of Use on the Business Strategic Model (PEOU) includes easy to understand (X1), easy to operate (X2), and easy to use (X3). Intention to Use (ITU) cover: the desire to use (Y7) and the desire to share (Y8). Actual Usage Behavior (AUB) consists of the frequency of use (Y9) and length of use (Y10).

In testing the hypothesis, the researcher used multivariate statistical methods using SPSS software. The descriptive hypothesis and the statistical hypothesis are as follows:

Descriptive Hypothesis:

- H1 : PEOU affects PU.
- H2 : PEOU affects ITU.
- H3 : PU affects ITU.
- H4 : ITU affects AUB

Statistical Hypothesis:

Exogenous latent variable:

- H0 : $\gamma_n = 0$; no effect (H0 accepted)
- H1 : $\gamma_n \neq 0$; has effect (H0 rejected)

Endogenous latent variable:

- H0 : $\beta_n = 0$; no effect (H0 accepted)
- H1 : $\beta_n \neq 0$; has effect (H0 rejected)

Testing was conducted by looking at the Significance value (Sig) obtained by each variable and then compared with the value α (0.05). If $\text{Sig} \leq 0.05$ then H0 was rejected.

3. RESULTS AND DISCUSSION

This section presents the research results obtained through several assessment approaches to determine the effectiveness and usefulness of the Business Strategy Model with a partnership approach to improving entrepreneurship. To answer all the problems related to this, quantitative data are analyzed as explained below and qualitative data are presented together with the discussion of research results. The number of respondents was 37, consisting of businessmen, industry, business observers, and other entrepreneurs with the following profiles: Gender (77% Men and Women 23%); Age (40% (20-29), 33% (30-39), 17% (40-49), and 10% (50_ ...); Field (13% (Home Industry), 3% (Animal

Husbandry), 3% (Ag- riculture), 30% (Culinary), 11 % (Fashion), 24% (Software House), 5% (Sport), 5% (Art), and 8% (Other); Partners (5% (1 to 10), 14% (11-20) , 24%(21-30), 22% (31-40), 24% (41-50) and 11% (60- ...).

The results of validity testing toward the exogenous latent variables of PEOU (Perceived Ease of Use) are X1 (easy to understand), X2 (easy to operate), and X3 (easy to use). They are significantly a valid construct (H0 rejected) for variables latent PEOU. Proven by the X1 and X2 values obtained in the parameter test of the PEOU variable measurement model with $\text{sig}/\hat{\alpha} = 0.05$, which was above the critical value ($\text{sig} \leq \hat{\alpha}$); while the measurement parameter X3 is set to 1. Because it is determined a priori, the parameter X3 is not tested. As the result, the X3 variable measurement is a valid constructor for the PEOU latent variable. Therefore, we can conclude that the Business Strategy Model is easy to understand, easy to use, and easy to operate. As for the validity testing results of the endogenous variable PU (Perceived Usefulness), it was obtained that the indicator variables Y2 (improved performance), Y4 (easier), Y5 (increased productivity), and Y6 (more effective) are significantly valid constructors, which rejected H0; proven by the values of Y4, Y5 and Y6 obtained in the parameter test of the measurement model PU variable with $\text{sig} / \hat{\alpha} = 0.05$, which was above the critical value ($\text{sig} \leq \hat{\alpha}$).

The measurement parameter of Y2 is set to 1 because it is determined apriorism, thus Y2 parameter is not tested. As the result, the measurement of Y2 variable is a valid constructor for the PU latent variable

Therefore, using the Business Strategy Model can improve performance, share knowledge more easily, can increase productivity and be more effective in sharing knowledge. ITU (Intention to Use) produced a value on the indicator variable of Y7 (the desire to use) and Y8 (the desire to share), which signify a valid con- structor (H0 rejected) for the ITU latent variable; proven by the value of Y8 obtained in the parameter test of the PRP variable measurement model with $\text{sig} / \hat{\alpha} = 0.05$, which was above the critical value ($\text{sig} \leq \hat{\alpha}$).

The measurement parameter of Y7 is set to 1 because it is determined apriorism, thus the parameter Y7 is not tested. As the result, the measurement of Y7 variable is a valid constructor for the ITU latent variable. It is noted that each indicator variable of Y9 (Frequency of use) and Y10 (Length of use) signify a valid con- struct, means that H0 was rejected for the latent AUB (Actual Usage Behavior) variable. The value of Y10 was obtained in the measurement model parameter test of AUB variable with $\text{sig} / \hat{\alpha} = 0.05$, which was above the critical value ($\text{sig} \leq \hat{\alpha}$). The measurement parameter of Y9 is set to 1. Because it is determined a priori, the Y9 parameter is not tested. As the result, the measurement variable of Y9 is a valid construct for the AUB latent variable.

The reliability test of R2 showed the following results: X1 (0.798), X2 (0.931), and X3 (0.897). The Business Strategy Model usage in Higher Education with the AUB latent variable contributes to the variance of Y9 as much as 91.7%. The Y10 indicator variable is the least reliable indicator of the AUB latent variable because its R2 value is the smallest compared to other indicator variables. From the combined reliability results, it can be concluded that PEOU, PU, ITU, and AUB have Composite Reliability values that were above 0.75; while the recommended critical value limit for Composite Reliability is 0.70. The latent variables of PEOU, PU, ITU, and AUB have met the Variance Extracted value limit, which was ≥ 0.50 . Thus, it can be said that each variable has good reliability.

The values of Mean (average) were obtained through testing or analysis toward descriptive statistics: Y1 (9,47882), Y2 (10,24352), Y3 (9,89987), Y4 (10,78635), Y5 (10,98462), Y6 (9,86873), Y7 (9,5591), Y8 (10,69416), Y9 (5,69471), Y10 (4,54637), X1 (8,9924), X2 (9,9394), X3 (9,9424). And standard deviation Y1 (2,87692), Y2 (2,94837), Y3 (2,87594), Y4 (2,89672), Y5 (2,18427), Y6 (3,58946), Y7 (2,86458), Y8 (2,15387), Y9 (1,64538), Y10 (0.85693), X1 (1,89796), X2 (2,196746), X3 (1,89562).

As for the normality test result, it was in the range between -2.39 to 2.39, while the normal multivariate distribution is close to 2.66. This means that the data met the requirements for further analysis with the Z Score of each variable, which was in the range of ± 3.0 . The results of hypothesis testing performed obtained the following results:

The significance value of H1 (PEOU - PU) = 0.000, H2 (PEOU - ITU) = 0.000, H3 (PU - ITU) = 0.000, and H4 (ITU - AUB) = 0.000. These hypothesis test results produced a significance value (.000) that was smaller than 0.05. Thus, all null hypotheses were rejected. This means that statistically there is a significant influence of the PU, PEOU, ITU, and AUB variables toward the use of the Business Strategy Model (H0 is rejected).

Based on the statistical results above, the PU and PEOU variables have a positive impact on ITU. After the ITU responded to the Business Strategy Model, it finally affects the AUB. This means that the easier the Business Strategy Model is used, the more it will be utilized and used since it uses web applications that known to all entrepreneurs and often used. According to entrepreneurs' perceptions, it can be easily under- stood, operated and used in sharing the knowledge they have. It is also to find the knowledge that entre- preneurs' need, without having to install special ap- plications on their computer terminals.

Considering its usefulness, the PU affects the ITU. It means that the Business Strategy Model has faster benefits, can increase productivity, be more ef- fective,

easier, improve performance, and be efficient. The elements or facilities within relate to real life, which is known as the 'Hands-on' of the indirect-thematic approach. Besides, it is fun and has a positive affirmation and search; make it easy for entrepreneurs to carry out activities. Plus, it provides various solutions to several activities.

With the ease and benefits perceived by entrepreneurs towards the Business Strategy Model, the perception and the desire to use are increasing. Entrepreneur acceptance attitude towards its usage reflects that it is well received. They felt an increase in the aspects of cognitive, affective, and psychomotor. A positive direction has also been shown so that the attention and desires of users towards the Business Strategy Model are more numerous and complex. This indicates the actualization effect from the entrepreneurs towards learning. The frequency of use is increasing, and the duration of time is getting longer.

Therefore, we can conclude that the AUB is influenced by ITU. User behavior in using the Business Strategy Model also arises. Hence, the frequency of use and the length of time indicate positive behavior.

4. CONCLUSIONS

Developing the Business Strategy Model with the partnership approach as an alternative improved performance and fostering entrepreneurship. This can be proven by the research results using the TAM model and a multivariate statistical method that concluded the ease of use of the Business Strategy Model (PU) and the benefit of the Business Strategy Model (PEOU) have a positive effect on the attitudes of entrepreneurs (ITU). When the positive attitude is shown, it will ultimately influence the behavior, which in turn can be actualized (AUB). This means that the easier the Business Strategy Model is used, the more it will be utilized and used. Since it uses web applications known to all entrepreneurs that used often, it can be easily understood and operated in sharing the knowledge they have and also finding the knowledge they need. Hence, the results of the study concluded that Perceived Usefulness (PU), Perceived Ease of Use (PEOU), Intention to Use (ITU), Actual Usage Behavior (AUB) significantly influence the use of the Business Strategy Model effectively and efficiently in supporting entrepreneurial activities.

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