

## STRATEGY FOR IMPLEMENTING CATEGORIZATION ON MICRO SMALL AND MEDIUM ENTREPRISES AT JAKARTA ENTREPRENEUR PROGRAM IN THE PROVINCE OF JAKARTA

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### ABSTRACT

This study aims to identify and formulate strategies that have not optimized the implementation of the Jakarta Entrepreneur Program Categorization for Micro, Small and Medium Enterprises (MSMEs) in the Special Region of Jakarta. In this study, based on Merilee S Grindle's policy implementation theory which includes the content of policy and context of implementation. This research method uses a descriptive and qualitative approach with data collection conducted by interviews and document review. In the analysis process using SWOT analysis as the main instrument in its preparation, then the next step to determine alternative strategic issues is used with the litmust test, with the most strategic issue obtained by strengthening the government's commitment to implementing MSME categorization in the jakpreneur program to improve the quality of MSME actors. From the results of this identification, several problems were found faced by the government and micro, small and medium enterprises (MSMEs) in improving the quality of MSMEs from beginner entrepreneurs to medium-sized entrepreneurs to established entrepreneurs. This research is important to identify the challenges and obstacles faced by MSME actors to be an important step in designing the right strategies and programs to improve the business conditions of MSME actors.

**Keywords:** *Strategy, MSMEs, Jakarta Entrepreneur Program*

### A. INTRODUCTION

The phenomenon of poverty in developing countries is a very difficult problem to solve even though some developing countries have succeeded in carrying out economic development with high production growth and national income (Safitri, et.al. 2024) economic and international context. According to that view, capacity defines as a trait or a function, may alter or increase in response to societal demands. (Wulandari, 2022) The development of Micro, Small and Medium Enterprises in Indonesia is considered quite rapid when viewed from the large number of MSMEs. Micro, Small and Medium Enterprises (MSMEs) have a

very important role in the Indonesian economy. This makes MSMEs a safety net as well as an economic driver. The development of MSMEs in Indonesia has a fast transaction cycle and their products tend to be directly related to the main needs of the community. In Indonesia, economic growth depends on economic dynamics in various regions, the majority of which are driven by the activities of micro, small and medium enterprises (MSMEs). Data from the Ministry of Cooperatives and Small and Medium Enterprises shows that there are 65.47 million units. MSMEs contribute 60.51% to gross domestic product (GDP) at current prices. Against GDP at constant prices, the contribution of MSMEs reached 57.14%.

The Provincial Government of *DKI* Jakarta realizes the importance of empowering MSMEs through integrated entrepreneurship development called the Jakarta Entrepreneur program which aims to provide support and guidance to business actors. JakPreneur is a rebranding of the Integrated Entrepreneurship Development (*PKT*) program in *DKI* Jakarta. The branding is pinned to micro, small and medium enterprises assisted by the Jakarta Special Regional Government. Initially this program was called Oke Oce with its implementing the *Instruksi Gubernur DKI Jakarta Nomor 152 Tahun 2017* concerning the Establishment and Development of Entrepreneurship. Then in 2018 the *Peraturan Gubernur DKI Jakarta Nomor 102 Tahun 2018* dated October 9, 2018, concerning Integrated Entrepreneurship Development (*PKT*), was issued. Then in 2020 the implementing regulation for Integrated Entrepreneurship Development changed to the *Peraturan Gubernur DKI Jakarta Nomor 2 Tahun 2020* dated February 6, 2020, concerning the Implementation of Integrated Entrepreneurship Development. The *Peraturan Gubernur DKI Jakarta Nomor 2 Tahun 2020* is a refinement of previously issued regulations related to Entrepreneurship Development in *DKI* Jakarta where MSME empowerment facilitation is now provided not necessarily in sequence but according to the needs of MSME participants in the Jakarta Entrepreneur Program.

Based on the *Peraturan Gubernur DKI Jakarta Nomor 2 Tahun 2020*, there are 6 (six) Regional Work Units that provide guidance to Jakarta Entrepreneur Participants, namely the Jakarta Special Region Office of Industry, Trade, Cooperatives, Small and Medium Enterprises, Jakarta Special Region Office of Manpower, Transmigration and Energy, Jakarta Special Region Office of Tourism and Creative Economy, Jakarta Special Region Office of Food Security, Marine and Agriculture, Jakarta Special Region Office of Empowerment, Child Protection and Population Control and Jakarta Special Region Office of Social Affairs. Based on the Governor's Regulation, the implementation of facilities provided by the *DKI* Jakarta government through the Jakarta Entrepreneur Program has 7 steps in its workflow, where these steps are compiled in P7, namely (1) Registration; (2) Assistance; (3) Training; (4) Licensing; (5) Marketing; (6) Financial reporting; and (7) Capital. This includes increasing business efficiency through a mechanism that can integrate the seven stages in the Entrepreneurship Development program in the Jakpreneur Program.

The program aspect is the core of the administrative process that describes the capacity of the organization to carry out program sandactivities in the public administration system (Rianti R, et.al.,2024) in (Yusuf etal., 2018). The

Jakpreneur program provides assistance for aspiring entrepreneurs in *DKI* Jakarta, including support in capital, marketing, creative ideas, financial reports, solving business problems, and training to become superior business actors. In addition, Jakpreneur participants will be facilitated to obtain licensing and/or non-licensing documents in accordance with the business they run. Participants can access the facilitation through the Jakarta Entrepreneur system. The Jakarta Entrepreneur system can be used as a tool to measure the development of the Jakarta Entrepreneur Program.

Entrepreneurship Development in Jakarta Entrepreneur Program has been running for 5 years. The targets of Entrepreneurship Development in Jakarta Entrepreneur Program are Beginner Entrepreneurs, Medium Entrepreneurs and Upgraded Entrepreneurs. The success measure of the Jakarta Entrepreneur Program used at this time is to measure the number of MSMEs that have increased to become established or upgraded entrepreneurs who have received facilities both from licensing legitimacy, marketing, financial reporting and capital. At the end of 2023, the number of participants who have joined Jakpreneur is 371,984 participants. Of this number, 66.75% are business actors engaged in the food and beverage business, then followed by grocery stalls 9.38%, fashion 7.44%, crafts / crafts 3.41%.

The number of Jakarta Entrepreneur (Jakpreneur) participants until 2023 is 371,984 people in the data Clustering Jakarta Entrepreneur Participants Beginner Entrepreneurs: 271,931 people (73.2% of total participants), Medium Entrepreneurs: 96,269 people (25.9% of total participants) and Established Entrepreneurs: 3,784 people (1.0% of total participants) so that the Gap between Start-Up Entrepreneurs and Established Entrepreneurs there is a significant gap between the number of Start-Up Entrepreneurs (271,931) and Established Entrepreneurs (3,784) The number of Start-Up Entrepreneurs is much greater than that of Established Entrepreneurs. This indicates that most of the Jakarta Entrepreneur participants are still in the early stages (Start-Up Entrepreneurs) and have not been able to increase their business level to become Established Entrepreneurs. Challenges in Clustering Improvement the data shows that there are still challenges for most Jakpreneur participants to improve their business clustering from Starter Entrepreneur to Medium Entrepreneur or Established Entrepreneur. Only a small proportion (1.0%) was able to reach the established entrepreneur level, while the majority (73.2%) were still at the start-up entrepreneur level.

Entrepreneurial development efforts require more intensive efforts from relevant parties to help budding entrepreneurs improve their business capacity and capabilities. Categorization is a vital strategy as it allows MSMEs to be grouped based on their characteristics and needs. This provides great benefits to the government and relevant stakeholders in providing more targeted support. By separating MSMEs into appropriate categories, the government and stakeholders can provide assistance and guidance that is more specific and suited to the needs of each category. For example, MSMEs with similar characteristics and needs may receive specialized types of assistance to help them grow and thrive. Various efforts have been made but there have not been significant results in improving

the quality of JakPreneur. Satisfaction with the program is an effectiveness criterion that refers to the success of the program in meeting user needs. Satisfaction is felt by users of the products or services produced. (Handayani at, al.,2023).

The application of categorization in the Jakpreneur mentoring program can be done by using parameters such as legality, asset ownership, partner ownership, capital and finance, marketing, workforce, product quality, owner's vision and mission, knowledge transfer capability, and environmental impact. These parameters are expected to help the program understand and provide appropriate support to SMEs. In implementing the program, it is important to continuously monitor the overall growth of the SME sector and adjust by updating the categories or parameters in line with the development and needs of SMEs in the field. Categorization is a vital strategy that can help the process of grouping MSMEs based on appropriate characteristics and needs. In addition to the benefits for each mentee, the government and stakeholders can also feel the positive impact of being able to provide more targeted support.

Related to this topic, the development of *DKI* Jakarta's Micro, Small and Medium Enterprises (MSMEs) shows several gaps that need to be investigated further. One significant gap is between the number of start-up and established entrepreneurs, where data shows that most Jakpreneur participants are still in the early stages and have not been able to increase their business level to become established entrepreneurs. In addition, there are challenges in determining inclusive and fair MSME clustering and categorization criteria, as well as the lack of uptake of digitalization and global market access. Although many coaching programs have been facilitated by the Jakpreneur program, the results achieved have not been optimal in improving the quality of entrepreneurs and bringing them to the next level. By identifying and understanding these gaps, research can be directed towards addressing these issues and helping MSMEs in *DKI* Jakarta to develop more optimally. Research can explore the factors that hinder the transition of start-up to established entrepreneurs, develop better clustering criteria, and identify strategies to improve digitalization and global market access for MSMEs. Strategy serves as a means of connecting the organization to its environment, acting as an extension of its mission. This is followed by a SWOT analysis that identifies the organization's strengths, weaknesses, opportunities, and threats. Then, strategic issues are identified and evaluated with a litmus test to determine which ones are truly strategic, before finally formulating a strategy to achieve organizational goals. By conducting research in this area, it is hoped that it can assist the government in the development of the Jakarta entrepreneur program and make categorization an effective tool to support the growth and development of MSMEs optimally.

## **B. LITERATURE REVIEW**

### **Policy Implementation Theory**

Policy implementation is a series of steps taken to realize government policies in the form of concrete actions. These steps are designed with the aim of achieving the result according to the plan that has been set. This involves

translating policy objectives into programs aimed at achieving the desired result. In this study, Grindle's policy implementation model shows that implementation policies are determined by 2 major variables, including Content of policy and Context of implementation. There are 2 variables with 9 sub-variables that researchers use to facilitate researchers in making interviews. Furthermore, concept operationalization is also useful so that the research made is in accordance with the flow and theory that has been chosen. The following is attached to the concept operationalization table using Grindle's theory. The main variable used in researching the implementation of the Jakarta Entrepreneur program in micro, small and medium enterprises in *DKI* Jakarta Province is policy implementation, in the implementation of entrepreneurship development in the Jakarta Entrepreneur program.

Based on the theory chosen from Grindle, as a foundation in the Jakarta Entrepreneur Program which aims to develop MSME. Entrepreneurship based on the results of the research findings and discussion. Grindle's model is determined by the policy content and implementation context. The basic idea is that after the policy is transformed, then the policy implementation is carried out. Its success is determined by the degree of implementability of the policy can be seen in the following:

**Table 1 Concept Operationalization of M Grindle Theory**

Variable		Sub Variable
<i>Content of Policy</i>		1) <i>Interest Affected</i>
		2) <i>Type of Benefits</i>
		3) <i>Extent of Change Envisions</i>
		4) <i>Site of Decision Making</i>
		5) <i>Program Implementer</i>
		6) <i>Resource Committed</i>
Lingkungan (Context of Implementation)	Kebijakan	1) <i>Power, Interest, and Strategy of Actor Involved</i>
		2) <i>Institution and Regime Characteristic</i>
		3) <i>Compliance and Responsiveness</i>

Source: M Grindle theory processed by researchers 202

### Strategi

Strategy is a detailed plan of activities aimed at achieving specific objectives that are interconnected within a certain time limit and scale in a management context. According to (Bryson, 2022: 189), the explanation of strategy is as follows "Strategy can be considered a framework that includes a series of goals, policies, programs, actions, decisions, and distribution of resources that describe the activities of the organization and why the organization does it. Therefore, the strategic approach serves to better align the mission to bridge the organization with its environment.

A strategic planning system should answer four important questions: defining our purpose (mission), how to achieve it (strategy), formulating the framework (budget), and ensuring the chosen direction (control). At the organizational level, the planning system includes issues related to purpose (goals

and objectives), policy and program planning, resource allocation, and evaluation of results. Bryson (2022:58-59) presents an effective strategic planning process methodology that can be applied by organizations with the following steps:

- Agreeing on the strategic planning process.
- Identify the organization's mandate.
- Clarify the mission and vision of the organization.
- Assess the external environment: opportunities and threats.
- Assess the internal environment: strengths and weaknesses.
- Identify strategic issues facing the organization.
- Formulate strategies to manage strategic issues.
- Create an effective organizational vision for the future

### SWOT Analysis

According to Freddy Rangkuti (2017:6), strategies can basically be grouped into three types of strategies: management strategies, investment strategies, and business strategies. Strategy selection is carried out with the aim of ensuring optimal goal achievement. The chosen strategic plan can serve to address gaps in goal achievement. Evaluation of strategic options involves the use of strengths, weaknesses, opportunities, and threats (SWOT) analysis matrix. This comprehensive assessment allows the organization to develop a plan that considers all these factors.

**Table 2 SWOT Matrix**

INTERNAL EKSTERNAL	<b>Strenghts</b> Define some factors that are strenghts	<b>Weaknesses</b> Specify some factors that are weaknesses
	<b>W-O Strategy</b> Create strategies that minimize weaknesses to take advantage of opportunities	<b>S-O Strategy</b> Create a strategy that uses strengths to capitalize on opportunities
<b>Threats</b> Define some factors that are threats	<b>S-T Strategy</b> Create a strategy that uses strengths to overcome threats	<b>Strategi WT</b> Create strategies that minimize weaknesses and avoid threats

Source: Rangkuti (2021:83)

The SWOT matrix illustrates a set of potential actions that an organization can take based on the results of the SWOT analysis. This framework generates four different strategy alternatives: Strengths-Opportunities (SO), Weaknesses-Opportunities (WO), StrengthsThreats (ST), and Weaknesses-Threats (WT).

### Research

In the research on categorization implementation strategies for micro, small and medium enterprises (MSMEs) in the Jakarta entrepreneur program in *DKI* Jakarta Province. Researchers studied several previous research results, namely

several journals and theses that are considered relevant to the research theme. The following are various sources of reference in this research.

In Panjaitan's research (2023), it was observed that by referring to the theory of George Edward III (1980) several assessments of the implementation of the JakPreneur program in the West Jakarta area were produced, including the communication that had been carried out by the West Jakarta *PPKUKM* Sub-Department to MSME actors through routine socialization had been carried out well, the Implementing Human Resources were able to carry out their work with several notes that needed to be considered, in the implementation of SOPs there were overlaps and had not been integrated into all *SKPD*, communication support technology was not optimal, and strengthening of an effective and efficient bureaucratic/organizational structure was needed. As for some alignments found with this research which are related to the discussion of the JakPreneur program, MSME actors, and MSME training, but some differences were also found related to the discussion of the categorization of MSME actors in improving the quality of MSME actors so that they become upgraded / established, research locations and the author's strategy in formulating the categories of MSME actors.

Then the research conducted by Zahra and Sagita (2023), the research was carried out referring to the theory of program effectiveness by Subagyo listed in Budiani (2007) covering four aspects, namely target accuracy, socialization, goal achievement and monitoring. The results showed that the JakPreneur program was able to operate effectively by providing various business facilities so that it had a positive impact on the growth of MSMEs. The study also identified several problems such as the lack of interest of the younger generation to join JakPreneur, the low level of participation of MSMEs in attending training, the existence of competitive barriers for business products, the dependence of MSMEs on the JakPreneur system in preparing financial reports, and the rejection of banks regarding capital loans. These studies aim to provide recommendations on findings that can be used by the government or relevant agencies in the design of more effective policies or programs to empower MSMEs. Without more information about these studies, it is difficult to provide specific reasons, but in general the selection of research topics is usually influenced by knowledge GAPS or actual issues that require further research.

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### **C. METHOD**

The research method is descriptive research with a qualitative approach. According to Meleong (2014), a qualitative approach is used to describe the phenomena experienced by research subjects including behavior, perceptions, motivations and actions. Through this method, the results obtained are expected to be able to provide an accurate picture in terms of situations, conditions, and social interactions so that they can be used to understand, solve and predict problems. The scope of the research is on the application of categorization to fostered MSMEs in the JakPreneur program in *DKI* Jakarta Province.

Data collection techniques included interviews, document studies and field observations. The research conducted interviews with various related parties, including government officials, and the community, especially MSME actors. Interviews were conducted to identify the causes of the suboptimal implementation of categorization in the Jakarta entrepreneur program in *DKI* Jakarta. Data was also collected through document review, including policies, regulations, and triangulation in research interviews, confirming information from one informant to another as well as official documents related to the Jakarta entrepreneur program at the Jakarta Industry Trade Cooperative Small and Medium Enterprises Office. Document analysis assisted in understanding the existing formal framework and practices that had been implemented. The researcher observed directly at the MSME actors' premises and conducted interviews related to their business development. Then the data collected was analyzed using a qualitative approach, with the SWOT analysis method and Litmus Test to determine the strategy to be applied. The analysis was conducted by looking at patterns, general findings, and differences in responses and experiences expressed by respondents. This research enabled the researcher to explore the complexity of applying categorization to MSMEs in the Jakarta Entrepreneur Program.

### **D. EXPLANATION**

After going through the process of collecting and analyzing data and describing the results of interviews and document reviews obtained from field research. The data obtained is considered correlated because it is sourced from various information, including key informants and related documents. The results of this research will be discussed by referring to two major variables, namely: content of policy and context of implementation from Merilee S Grindle (1980). According to Grindle (1980), the content of the policy or program will affect the level of implementation success



### **Content of Policy:**

#### **Interest Affected**

The interests affected by the policy relate to the interests of the target group regarding the content of the policy. This has an influence on the implementation of a policy. In this indicator, there is a view that implementing the policy will involve many interests with various impacts brought by these interests.

Based on the data provided, we can analyze the influential sub-variables of interest relating to target groups using Grindle's theory as follows:

- a) Target Group Interests (MSMEs) from the data presented, the Jakarta Entrepreneur Program is designed to meet the interests of the target group consisting of MSMEs in DKI Jakarta Province. The categorization of MSMEs into Beginner, Medium, and Established shows an effort to meet the different needs of each group of MSMEs. The Beginner MSME group has an interest in assistance with business legality, access to capital, and basic skills improvement. Meanwhile, Medium MSMEs need support in terms of product development, marketing, and better resource management. Established MSMEs have an interest in expanding their market reach, improving their competitiveness, and implementing more professional business practices.
- b) Interests of the Provincial Government of *DKI Jakarta* from the government's perspective, the Jakarta Entrepreneur Program reflects an interested in developing the MSME sector as a driver of the regional economy. The government has an interest in increasing the contribution of MSMEs to the economy, creating jobs, and increasing the competitiveness of local products in national and international markets.
- c) Other Stakeholder Interests The data also shows the involvement of other stakeholders such as business associations, academics, and the MSME community in the categorization process. This indicates the interest of these parties to provide input and ensure that the policies set are in line with the real needs in the field.

We can identify that the Jakarta Entrepreneur Program seeks to accommodate the interests of various parties, especially MSME target groups with different levels of development. The government also has an interest in developing the MSME sector as an important contributor to the regional economy. In addition, the involvement of other stakeholders reflects an interest in providing input and ensuring that the policies set is relevant to field conditions.

#### **Type of Benefits**

A policy made must be able to provide benefits, have a positive impact and be able to change for the better. In policy content, policy benefits attempt to show and explain that in a policy there must be several types of benefits that contain and produce a positive impact by implementing the policy to be implemented.

Some forms of assistance that can be provided to MSMEs include MD distribution permit assistance, Business License Number (*NIB*) assistance, facilitation of *TKDN* certification for small industries, halal certification assistance, brand rights assistance, packaging design assistance, and assistance to upgrade crafts, fashion and culinary classes. The PIRT distribution permit facility

can also be part of the assistance provided to MSMEs to support the development and business growth of MSME actors. As stated by the informant that:

*"Business actors are required to have licensing or legality by having a Business Identification Number (NIB), which is an important indicator to show a complete business license. That licensing and legality become a solid foundation for the operation of a business"*

The assistance facilities provided by the DKI Jakarta Provincial Office of Industry, Trade, Cooperatives, Small and Medium Enterprises to MSME players based on the Regional Budget (APBD) can be seen in the following:

**Tabel 3 Assistance Facilities**  
**Department of Industry Trade Cooperatives SMEs of DKI Jakarta Province**

Kategori Pendampingan	Jumlah UMKM
MD Circulation Permit Assistance	193
PIRT Circulation Permit Facility Assistance	696
Assistance in Facilitating TKDN Certification for Small Industries	1.705
Halal Certification Assistance	3.053
Trademark Assistance	5.040
Packaging Design Assistance	5.125
WUIB Assistance for Craft Class	2.368
WUIB Assistance for Fashion Classroom	2.362
Mentoring WUIB to Advance to Culinary Class	10.105
Marketing Facility Assistance	19.800

Source: *Processed by researchers from the website Jakpreneur.jakarta.go.id 2023*

Overall, the Jakpreneur program provides extensive benefits for MSME actors in Jakarta, both in terms of improving skills, business legality, access to markets, product safety, to self-esteem and confidence in running their businesses. The researcher analyzed several main causes that could result in the non-optimal application of categorization to MSME actors in the Jakpreneur program in *DKI* Jakarta, namely:

- 1) Lack of socialization and information
- 2) Limited access and bureaucratic processes
- 3) Potential information and access gaps between categories of MSMEs
- 4) Challenges in program scalability and coverage

#### **Extent of Change Envisions**

The desired change means the extent of change expected from the policy. The degree of change shows how much the target change is achieved with a clear scale in policy implementation. The level of success of a program in producing changes for its beneficiaries is highly dependent on the type and scope of the program itself. Programs that aim to achieve large and broad changes tend to be more difficult to implement effectively compared to programs that only have more limited and specific change objectives. The larger the scale of change desired through a policy or program, the higher the challenges and difficulties in its implementation.

The implementation of integrated categorization in the Jakpreneur Program not only provides a more comprehensive view of the needs and stages of development of MSMEs, but also allows the government to develop more focused and effective mentoring strategies. The data and information used to categorize MSMEs based on stage of development, type of product or service, as well as geographical location provide a solid foundation for structuring mentoring programs that suit the specific characteristics and needs of each category. Tailored support, ranging from basic skills training to appropriate funding, provides opportunities for MSMEs to develop sustainably from the Starter stage to the Established stage. With this approach, the Jakpreneur Program can become the backbone in building a strong and sustainable MSME ecosystem in *DKI* Jakarta Province, as well as creating wider opportunities for local economic growth through increased turnover, assets and employment.

#### **Site of Decision Making**

Decision-making in a policy plays an important role in policy implementation; therefore it is important to explain where the decision-making of a policy will be implemented. Decision-making in a policy plays an important role in policy implementation; therefore it is important to explain the location of decision-making of a policy to be implemented. The indicator of the role of decision-making in the implementation of the Jakarta Entrepreneur Program is one of the indicators that describe the implementation of the Jakarta Entrepreneur Program for MSMEs in *DKI* Jakarta. The decision-making role involves the Jakarta Entrepreneur Program administrators who are the decision makers in the program policy. Prior to the implementation of the Jakarta Entrepreneur program, the administrators assigned to run the Jakarta Entrepreneur program conducted a formulation in which there was decision making.

The location of decision-making in the Jakarta Entrepreneur program Decision-making in the Jakarta Entrepreneur program uses a top down method, namely decisions made from the actors involved at the top, such as the Jakarta Entrepreneur program implementing officers or the government who have duties related to the Jakarta Entrepreneur program, while the Jakarta Entrepreneur program participants do not have a stake in determining policies because they are not involved in decision-making. During the program, Jakarta Entrepreneur Program participants who have complaints, input, and criticism can convey their aspirations to the Jakarta Entrepreneur program assistant. Based on the explanation of the indicators and things found in the Jakarta Entrepreneur program, the implementation of the Jakarta Entrepreneur program has explained the location of decision making.

There are several potential causes that can lead to the non-optimal application of categorization for MSME actors in the Jakarta Entrepreneur program, namely decision-making in the Jakpreneur program using a top-down method, where decisions are made by actors at the top level such as program implementation officers and the government. MSME actors as program participants are not directly involved in the decision-making process. This can lead to a lack of consideration of the needs and input from MSME actors in the application of categorization.

### **Program Implementer**

A policy must mention its implementers in detail. The implementation of a policy or program must be accompanied by policy implementers who are competent and have the capability for the success of the policy. To run the MSME development program, the *DKI* Jakarta Provincial Government has handed over responsibility to the Departments as Regional Apparatus, such as the Department of Industry, Trade, Cooperatives, Small and Medium Enterprises; Department of Food Security, Marine and Agriculture; Department of Manpower, Transmigration and Energy; Department of Tourism and Creative Economy; Department of Culture; Department of Empowerment, Child Protection and Population Control, and Department of Social Affairs. There are 31 Departmental Agencies at the City administration level and the Department at the Provincial level assigned to run this JakPreneur program, each agency has an entrepreneurial assistant. Entrepreneurial facilitators are assigned to each sub-district, which totals 44 of the five municipalities and Thousand Islands in *DKI* Jakarta. At the sub-district level, the Head of Service Unit or Kasatpel is assigned to coordinate the facilitators with sub-district officials.

This categorization is important for providing appropriate and effective assistance. Categories based on business scale (micro, small, medium) help in determining the type of support and training that suits the capacity and specific needs of each group. Mapping that identifies softskill and hardskill training needs helps in designing more effective and targeted training programs. Categorizing participants based on their digital capabilities allows for more focused assistance, while identifying participants who need assistance with legal aspects such as licensing and IPR helps in providing specific assistance to meet legal requirements and increase business credibility. Evaluating and curating based on business growth potential helps in determining participants who are ready to participate in marketing events and gain access to capital.

### **Resource Committed**

A policy must be supported by available resources. This is so that the implementation can run well. It is intended that the implementation can run well. One of the key factors that determine the success of implementing a policy is the availability of adequate resources. These resources include a competent workforce, relevant expertise or competencies, sufficient budget, and the necessary supporting facilities and infrastructure. If the program implementers have the capacity and resource support in accordance with the demands of the policy, the success rate in implementing the policy will be higher. Conversely, if the available resources are inadequate, it will hinder the success of policy implementation.

Committed resources consist of several key components, namely:

**a). Human Resources;** The Provincial Government of *DKI* Jakarta sees the importance of providing support to business actors, especially small and medium enterprises (SMEs). One of the efforts made is by providing a mentoring program conducted by professional mentors who have *BNSP* certification. *BNSP* certification is a competency standard that is recognized nationally and internationally. Mentors who have *BNSP* certification have gone through a process

of assessment and evaluation of their knowledge, skills, and competence in the field of business mentoring.

**b). Budget;** The *DKI* Jakarta Provincial Government, especially the *DKI* Jakarta Provincial Department of Industry, Trade, Cooperatives and SMEs, has allocated a significant Regional Budget (*APBD*) to support the development of Micro, Small and Medium Enterprises (MSMEs) in the capital region. This step reflects the government's commitment in encouraging the growth of the MSME sector as the backbone of the regional economy. One of the main priorities in the Regional Budget (*APBD*) is the construction of training centers and business incubators spread across various areas in *DKI* Jakarta. These facilities are designed to provide skills training, business management guidance, and access to market and marketing networks for MSME players. With these training centers, it is hoped that MSME entrepreneurs can hone their skills, acquire the latest knowledge, and develop effective business strategies to improve the competitiveness of their businesses.

**c) Public Information;** The management and provision of public information through the *PPID* of the *PPKUKM* Office of *DKI* Jakarta Province, which acts as an Assistant *PPID* of *DKI* Jakarta Province, has been equipped with various supporting facilities. Facilities and infrastructure available to support public information services include the Public Information Service Room or *PPID* Room of the *PPKUKM* Office. Based on the inventory data listed in the table above, it can be concluded that the facilities owned by the *PPID* of the *PPKUKM* Office are adequate and, in a condition, suitable for use in providing public information services to the public. *PUSDATIN* has a very important role in the success of the Jakpreneur Program. Through thorough data collection, the establishment of an integrated database, and support for accurate categorization, *PUSDATIN* ensures that the Jakpreneur Program has the information it needs to provide the right support to MSMEs. The accuracy and completeness of the data managed by *PUSDATIN* is keys to success in identifying MSME needs and providing appropriate solutions.

#### **Context Of Implementation:**

##### **Power, Interest, and Strategy of Actor Involved**

At the implementation stage, the power and interests of the actors involved are very influential in policy implementation. In a policy, it is important to consider the strength or power, interests, and methods used by the relevant actors to launch policy implementation. The power, interests and strategies of the actors involved are quite clearly visible through the various activities that take place in the field. Although the result cannot be fully measured, the influence of the actors is already visible in the process.

Researchers analyzed various regulations and policies that have been issued by the *DKI* Jakarta Regional Government to support the development and growth of the MSME (Micro, Small and Medium Enterprises) sector in the region. These policies cover aspects of regulation, infrastructure development, funding, training, and promotion. The *DKI* Jakarta Regional Government has a significant role in determining the direction and successful implementation of policies related to MSMEs.

### **Institution and Regime Characteristic**

The existence of institutions and the regime in power needs to be considered. The policy environment that will be implemented has an influence on its success. The existence of institutions and regimes in power needs to be considered. The policy environment that will be implemented has an influence on its success. The success of policy implementation is strongly influenced by the power and interests of the actors involved. The *DKI* Jakarta Regional Government, through the Office of Industry, Trade, Cooperatives, Small and Medium Enterprises (*PPKUKM*), plays a central role in directing and implementing policies for MSME development. In this process, policy implementers, including government officials and private sector partners, have the potential to influence and affect implementation outcomes. The influence of these actors can be seen in the various activities and initiatives that take place in the field, although the results cannot yet be fully measured.

The *DKI* Jakarta Regional Government has issued various regulations that support the development of MSMEs. The Governor's Regulation on the Implementation of Integrated Entrepreneurship Development and the Governor's Decree on Guidelines for the Implementation of the Provision of Production Facilities and Infrastructure are important foundations in creating a conducive environment for MSMEs. For example, the Governor Decree of *DKI* Jakarta Province number 420 of 2022 regulates the provision of production facilities and infrastructure to support new entrepreneurs. The cost of providing these facilities is budgeted in the 2023 *APBD* through the *PPKUKM* Office.

### **Compliance and Responsiveness**

This is also an important aspect of policy implementation. Those implementors must have responsiveness and remain consistent to achieve the goals set out in the policies that have been made. It is also an important aspect of policy implementation. Those implementors must have responsiveness and remain consistent to achieve the goals set out in the policies that have been made. Compliance and responsiveness are crucial aspects of policy implementation. Policy effectiveness depends heavily on the extent to which implementers comply with established procedures and how responsive they are to the dynamics in the field. The *DKI* Jakarta Provincial Government, through various related agencies, shows a strong commitment in implementing the MSME development program by ensuring that each agency has competent and capable implementers.

The *Peraturan Gubernur DKI Jakarta Nomor 57 Tahun 2022* concerning the Organization and Work Procedures of Regional Apparatus regulates the duties and functions of the *PPKUKM* Office in organizing government affairs in the fields of industry, trade, and cooperatives. At the sub-district level, policy implementation is carried out by the Head of Service Unit (*Kasatpel*) who coordinates entrepreneurship facilitators with sub-district officials. This structure ensures good coordination and quick response to the needs of MSME actors.

Entrepreneurship facilitators play a vital role in the implementation of the Jakarta Entrepreneur program. They are tasked with socializing, facilitating, monitoring, and evaluating program participants. Based on the *Surat Keputusan Kepala PPKUKM No. 36 Tahun 2022* and the *Surat Keputusan Kepala PPKUKM*

*No. 714 Tahun 2021*, mentors must have competencies that include program knowledge, digital capabilities, and skills in providing mentoring. These competencies are important to ensure that the support provided matches the needs and business development of participants

### Swot Analysis Results

This approach is based on the idea that the optimal strategy will be able to minimize weaknesses and threats while maximizing strengths and opportunities (Rangkuti, 2021). This research uses SWOT analysis to formulate an optimal strategy for applying categorization to MSMEs in the Jakarta entrepreneur program, which aims to facilitate the provision of support, mentoring facilities, and interventions that are more targeted according to the needs and challenges faced by each category of MSMEs based on internal and external factors, which map the strengths and weaknesses as well as opportunities and threats that arise after examining the internal and external components of the organization. The results of the SWOT analysis shown in the table below are as follows:

**Tabel 4 Matriks Analisis SWOT**

Internal Factors	STRENGTHS (S)	WEAKNESSES (W)
	a. Strong commitment from the DKI Jakarta Provincial Government to develop the MSME sector	a. Limited funding, labor, and infrastructure
Eksternal factors	b. Programs that provide mentoring and training	b. Lack of information on facilities and assistance
	c. Programs that cover various sectors such as culinary, fashion, crafts, and other services	c. Barriers in communication and access to technology
OPPORTUNITIES (O)	STRATEGI S-O	STRATEGI W-O
a. Huge market potential	a. Strengthening the government's commitment to the implementation of MSME categorization in the jakpreneur program to improve the quality of MSME actors.	a. Collaborate with related parties for the program's operational activities budget
b. Opportunities for strong partnerships		b. Improving infrastructure and facilities in developing businesses of MSME players
c. Utilization of technology to improve operational efficiency and access	b. Strengthen and expand collaboration with related parties in developing the businesses of MSME players	
THREATS (T)	STRATEGI S-T	STRATEGI W-T
a. Complex regulations	a. Strengthening	a. Conduct regular

and slow bureaucracy can hinder access	communication between the government, the private sector, and MSME players in improving the quality of jakpreneurs.	socialization of Jakpreneur Program
b. Sudden economic changes and unstable national policies.		b. Conduct monitoring and evaluation related to the success of the program
b. Competition is fierce, demanding improved product quality and more innovative marketing strategies.	b. Increase business network with more innovative marketing	

Source Rangkuti, Data processed by researchers, 2024

In policymaking, the most strategic issues can be said to be issues that have top priority, because they have a considerable influence on society in the future. Vice versa, in policy making, less strategic issues are not required to be the top priority. This issue can be done after the most strategic issue has been done before. The following table below presents the results of the litmust test analysis for several alternative strategies that have been given.

**Table 5 Litmus Tes Analysis**

No	Pertanyaan	Strategy							
		S-O		S-T		W-O		W-T	
		1	2	3	4	5	6	7	8
1	How widespread is the influence of this issue	2,6	2,0	2,4	2,1	2,3	2,0	1,9	1,7
2	How much it will cost	2,4	2,3	2,6	2,7	2,4	2,1	1,8	2,1
3	Adjustment to regulatory changes	2,6	2,7	2,0	2,3	2,2	1,9	1,9	2,0
4	Adjustments to assistance facilities	2,2	2,1	2,2	1,6	2,2	2,1	1,8	1,6
5	The best approach to solving the issue	1,8	1,5	1,4	1,7	1,5	1,5	1,7	1,4
6	Level of decision to address the issue	1,9	1,3	1,6	1,9	1,6	1,9	1,7	1,6
7	Consistency in handling issues	2,2	1,9	1,8	2,2	1,8	2	2,3	1,4
8	Impact of the issue on economic, political and social aspects	1,6	2,1	1,7	1,5	1,9	1,5	1,7	1,7
9	Influence of the issue on related agencies	2,6	2,5	2,4	2,3	2	2,6	2,0	1,6
<b>Total</b>		19,9	18,4	18,1	18,3	17,9	17,6	16,8	15,1



Source: processed by researchers 2024

After scoring, it is important to determine the score value for each issue. According to Bryson (2022:183), issues that score high across all dimensions are considered strategic, while issues with low scores across all dimensions are considered operational. The results of calculating the average Litmus Test score for each strategic issue tested are shown in the table above. The results of this calculation can then be sorted by priority as follows:

**Table 6** Grouping of Strategic Issues

No	Strategi	Rata-rata Total Litmus Tes
1	Strengthening the government's commitment to the implementation of MSME categorization in the jakpreneur program to improve the quality of MSME actors.	19,9
2	Strengthen and expand collaboration with related parties in developing the businesses of MSME players	18,4
3	Improving infrastructure and facilities in developing businesses of MSME players	18,3
4	Collaborate with related parties for the program's operational activities budget	18,1
5	Strengthening communication between the government, the private sector, and MSME players in improving the quality of jakpreneurs.	17,9
6	Increase business network with more innovative marketing	17,6
7	Conduct regular socialization of Jakpreneur Program	16,8
8	Conduct monitoring and evaluation related to the success of the program	15,1

Source: processed by researchers 2024

The results of this test indicate that strategies that score high are considered strategic and should be top priorities. For example, the strategy of strengthening government commitment in the implementation of MSME categorization received the highest score (19.9), indicating that this strategy has a major influence on the success of the program and should be prioritized. Conversely, strategies that received a low score are considered operational and can be implemented after the top priority strategies.

This research focuses on the categorization of MSMEs into three groups: Beginner, Medium, and Established. This approach allows for the identification of the specific needs of each group, which has not previously been addressed in other studies. The research outlines how the needs for legality, access to capital, and training differ across categories, as well as their specific impacts on program implementation. The data shows the involvement of various stakeholders such as business associations, academics, and the MSME community in the categorization

process. This emphasizes the importance of multi-stakeholder participation to ensure that policies are in line with the real needs on the ground, which is an aspect that has not been explored much in previous research. One of the key findings of this research is the importance of developing infrastructure and facilities to support MSMEs. This research highlights how *APBD* budget allocations and the development of training centers and business incubators can strengthen support for MSMEs, which is an area that often receives less attention in similar studies.

## E. CONCLUSION

Based on the discussion that has been carried out, this research shows that the application of categorization to MSMEs in the Jakarta Entrepreneur Program can be said to lead to positive things so that the profile of MSME actors becomes the focus to understand the characteristics, scale, and business model they run. Beneficiaries of MSME categorization are divided based on several criteria, ensuring that the assistance and programs provided are in accordance with the needs of each group:

1. The research shows that the categorization of MSME assistance has a positive impact by making the profile of MSME actors the focus, ensuring that the assistance and programs provided are in accordance with the needs of each business sector group, whether craft, fashion, culinary or other businesses. This allows for a more focused approach according to the specific needs of each MSME category.
2. The Jakarta Entrepreneur program structures mentoring programs to suit the specific characteristics and needs of each category of MSMEs. This includes skills training, access to financial facilities, and more focused sectoral support.
3. The Jakarta Entrepreneur Program utilizes multiple layers of data and information to support the categorization of MSMEs and develop mentoring strategies. Data is used to identify MSME development stages, product/service types, and training/development needs.
4. Conduct regular Evaluations to assess the impact of the Jakarta Entrepreneur Program and adjust strategies if necessary. This helps in identifying opportunities for innovation and the application of digital technologies that match the maturity level of MSMEs in each sector
5. The government implements policies that support the investment and business environment, including regulations that support the expansion of MSMEs, namely providing ease in granting licenses, capital, and patents (IPR) to MSMEs by simplifying procedures, and providing easily accessible information.

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