PROBLEM: Anecdotal (small scale)

PROBLEM: General statistics (large scale)

SOLUTION: Your vision

SOLUTION: Step-by-step

ORIGIN STORY: Mom & UTG

Our Pancasila ensures social justice for every Indonesian. However, disparities in job opportunities between rural and urban cities in Indonesia are still visible today. According to Tauhid Ahmad, the Institute for Development of Economics (INDEF) director, there are limited job opportunities in rural areas, which necessitates their workforce to move to the cities to find a living, which leads to economic disparity. According to Badan Pusat Statistik (BPS), in 2022, the urban poverty rate is at 7.53 percent and rural poverty is at 12.36 percent. This problem becomes urgent as BPS shows that the rural poverty rate has fluctuated between 12-13% since 2017. It means our government's actions to fight poverty in rural areas in the last five years are insufficient, despite Kementerian Keuangan handing out 431,5 trillion IDR to combat poverty in 2021 alone.

Micro, Small, and Medium Enterprises (MSMEs) bring a clear solution to this issue. According to Badan Koordinasi Penanaman Modal, Indonesian MSMEs accounted for more than 61% of the country's GDP. Consequently, the growth of MSMEs in rural areas is a viable approach to providing more employment opportunities in rural areas and stimulating regional economic activities.

To improve enterprises in rural areas, however, one needs to understand that it can be challenging due to infrastructure disparity. For instance, Kak Narti, a female business owner from Bolu, travels twenty hours per month to buy her inventories in Makassar. Her gender makes it even more difficult for her because she needs to make 20-hour business trips while taking care of her child.

Her story and dedication remind me of my mother, who used to run a clothing business and had to travel to Jakarta every month to buy her inventories. When she gave birth to my sister, she was forced to end her entrepreneurial journey as the logistical challenges that stemmed from poor infrastructure became too great. This is why the idea of helping female entrepreneurs in rural areas and giving women equal opportunities to do their business moves me. Having worked at a multinational retail clothing company, I believe I can use the skillsets I have to ease female entrepreneurs' problems. Therefore, I moved to Makassar and now lead a small family business called UTG.

UTG is a wholesale clothing company that enables women-led small clothing businesses to purchase their inventories from anywhere at any time. As a company, we believe that female-led fashion business units in rural areas can grow if they have the same access to a wide variety of clothing suppliers that MSMEs in the city have access to. Hence, UTG serves 3,000 clothing brands that MSMEs can buy through their phone.

My bachelor's degree in entrepreneurship enables me to bring about a few adjustments that are advantageous to both rural businesses and UTG. First, I modified our aim by concentrating on business units in the countryside, which doubles our customer base. We have helped 237 woman-owned small and micro companies stock up to 30,000 clothes per month so far. This means that 237 female entrepreneurs like Kak Narti do not need to travel long hours and close their shops to buy their inventories. 85% of our surveyed customers are mothers, and with our UTG’s help, they do not need to let go of their dream to take care of their families, as they can buy their inventories in the comfort of their homes. Currently, we assist five pregnant mothers to keep their inventories coming in. I still have a long way to go before I can make sure that no mothers in rural areas need to stop their entrepreneurial journey, but this action is a little evidence that shows my vision is possible to realize.

Second, at the beginning of 2022, I spearheaded an MSME consultancy program, where I visited my customers’ shops to observe their customers' purchasing patterns. I then used that information to advise them on the types of clothes to sell to make their businesses more appealing. I'm grateful to have seen our customers' businesses grow through this new program. For example, Kak Idha from Mamuju grew her business enough to open a new branch in another area. My data shows that 10 percent of our surveyed clients have opened a new branch and/or modified their boutique to be bigger, hence creating more job listings in their region. Our customers' growth also boosts UTG’s revenue we have since doubled the number of our employees to serve more female entrepreneurs in rural areas.

However, combating limited job opportunities in rural areas and developing regional economies will need a long-term solution, such as equipping our future generation with entrepreneurial skills. Therefore, I collaborated with SMA Athirah to create an entrepreneurial program to encourage students to start their firms and expand employment options in South Sulawesi. I gave seminars and mentoring sessions to first grade students about several business tools such as design thinking to help students approach business as a solution to solve everyday life's problems, the deisgn thinking method to help students find business ideas , low-cost marketing strategy, and many other modules fit for seed-stage businesses. About 80+ students use the knowledge to sell products in their school fair.

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To further expand my impact, I aim to open a consulting firm geared towards female-led fashion businesses in rural areas. I feel ecstatic about this idea because the research done by Bruhn, Karlan, and Schoar in 2012 shows that after a short five years of receiving guidance from consultants, small businesses can increase their total number of employees by 44%. As of 2021, Kementerian Koperasi dan Usaha Kecil Menengah reported a total of 65,47 million MSMEs with 119,6 million total employees, which means there are two employees per MSME on average. If only 10% of our MSMEs get access to a consulting firm, we will see a 5.7 million increase in employment. Knowing that BPS records 8.4 million unemployed people in 2022, consulting access to 10% of our total MSMEs will decrease 67% of our total unemployment. I believe that this is the answer that we've all been looking for to ensure equal job opportunities in rural areas and to boost the rural economy.

However, my background in entrepreneurship covers only the tip of business understanding. My degree taught me to make a financial report and interpret it, but I didn't know what to do with the interpretation. I didn't know how to be sure that the number allowed us to make a new branch or close a branch. During my work in a retail company, I also learned how to forecast sales based on sales history, yet I'm not equipped with the supply chain tools to forecast sales based on sales history and market uncertainty.

I must master these things first to ensure that I can offer sustainable solutions to rural-based fashion MSMEs through a consulting firm. Getting an MBA degree is a reliable way to learn finance decision-making, retail operation, and consultation framework because it focuses on management and business. Therefore, I aim to take my MBA degree to equip myself with toolkits that I can use to support MSMEs in rural areas.

I plan to take my MBA in US or Italy, as two fashion capitals are located there, specifically at Harvard Business School (HBS), University of Bologna, or New York University (NYU) Stern, as all three universities have brilliant faculties that can help me realize my goal of helping small businesses. For instance, Professor Leonard A. Schlesinger from HBS is an advisory member of Goldman Sachs' 10,000 Small Business Initiative, which provides business education and support services to small businesses. On the other hand, one of University of Bologna’s professors, Lelio Gavazza, is the executive vice president sales & retail for Bulgari, experienced in retail and wholesale’s sales and distribution. Lastly, NYU Stern lets their students work closely and be mentored by top C-suites from retail companies, such as the President of Carolina Hererra. Sharing a discussion with these professors will help me understand the unique nature of small and retail businesses to construct a helpful business framework for them. I want to discuss how we can track and evaluate the performance of small enterprises and assist them in making a robust business plan.

Immediately after returning to Indonesia, I will share my business knowledge with female entrepreneurs in rural areas whom I worked with at UTG.

**CONSULTING IS THE SOLUTION**

I plan to collaborate with some MSMEs owners who reside in rural areas as part of my prototyping and testing process before applying the business framework to the consultation firm I want to build.

**BUSINESS WORKBOOK**

I will also design a daily business workbook with easy-to-understand vocabulary and contextualized MSMEs' transactions and conditions in collaboration with local women entrepreneurs. Then, they can read that book whenever they encounter problems or are considering some moves to take.

**CONSULTING IS THE SOLUTION**

After validating the proper business blueprint in rural areas, I will open a consultation firm for female entrepreneurs in the countryside. In the long run, I hope to offer consulting services to 7 million MSMEs in rural areas.

**HOW IT’S POSSIBLE**

I believe I can do this through a collaboration with the KUR program, which gives out loans to 7 million business units in 2022.

**IMPACT**

If each MSME starts with two employees, a 5-year consulting service will help me to open 6 million new job listings in the countryside through MSMEs and give a 57% salary raise to the initial 14 million employees in rural areas, according to research by Bruhn, Karlan, and Schoar(2012). A new 6 million job listing is almost double the amount of demanded 3,6 million job opportunities according to the yearly high school and university graduates that will enter the workforce stated by Menteri Koordinator Bidang Pembangunan Manusia dan Kebudayaan. The 57% salary raise for 14 million rural-based employees can improve the well-being of people in rural areas as it gets easier to access healthcare and education.

**YOUTH EDUCATION**

I will also continue to collaborate with SMA Athirah to equip their students with business skills post-graduation. For instance, I will simplify my training in corporate human resources so it is appropriate for teenagers who frequently ask their friends to work alongside them. I will also collaborate with local female entrepreneurs to make a business case out of their problems and discuss that with high school students. This way, students who wish to be an entrepreneur will be aware of the problems they may encounter and know how to deal with them. A study from Gazi university in 2017 shows that students that are exposed to 15-week entrepreneurial education will develop their entrepreneurial intention. I believe that if this program can be applied to many schools in Indonesia we will be able to increase entrepreneurial intention and produce 4 million entrepreneurs which is needed to boost economic growth proposed by the industry minister in 2018.

**CONCLUSION**

With all the facts and figures that show MSMEs as the hope for our rural development, there was one heartfelt moment that boosts my hope for our rural-based entrepreneurs. I met a boutique owner in Masamba who struggled financially after making a wrong financial move. However, she decided to keep all her workers and cut funding in another part of her business. She said the employees were always there for her, so it was her time to repay that loyalty. In our Buginese culture, we call it "Rebba Sipatokkong, Mali Siparappe, Malilu Sipakainge." It means "Straighten the fallen, ashore the drifted, advise the wrong." I believe that our success, as the proverb puts it, can only be attained if people walk hand in hand to help each other. One conglomerate cannot bring about social equality and economic growth in Indonesia. However, thousands of our micro, small, and medium enterprises can collectively achieve that.

I aspire to be surrounded by bright people in the LPDP awardee community to pursue my vision of becoming a catalyst in bridging the income imbalance between rural and urban areas. I look forward to the day when every Indonesian will have the same opportunity to thrive, regardless of gender and where they live.

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