

Business Identification Number: Socialization and Assistance for MSME Actors in Malang

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ABSTRACT

This activity aims to evaluate the effectiveness of socialization and mentoring activities in managing Business Identification Numbers (NIB) in Singosari District, Malang, East Java. The main objective is to increase the understanding and awareness of Micro, Small, and Medium Enterprises (MSMEs) about the importance of business legality and NIB management procedures. This activity was carried out from January to March 2024 involving 20 MSMEs and led by lecturers from the Indonesian School of Economics, Surabaya. The method includes socialization and individual consultation sessions to provide practical information and direct guidance in managing NIB. Evaluation using a qualitative approach shows that socialization and mentoring activities are effective in increasing the understanding and confidence of MSMEs in managing NIB. Participants experienced an increase in knowledge about the benefits of NIB, such as access to financing and opportunities for participation in government programs. However, there are limitations in the accessibility and sustainability of the program. Suggestions for the future include expanding the reach of socialization, strengthening cooperation, and utilizing technology to support the sustainable growth of MSMEs in the region. This activity makes a positive contribution to supporting MSMEs in managing their businesses legally and sustainably in Singosari District.

Keywords: Mentoring, MSMEs, NIB, Socialization

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1. INTRODUCTION

Business Identification Number (NIB) is an identity for business actors issued by the OSS (Online Single Submission) Institution in Indonesia. NIB is very important because it functions as an identification and legality for businesses, allowing business actors to obtain basic permits such as location permits, environmental permits, and operational permits (Wilandari & Budiantara, 2022). In addition, NIB also facilitates access to various public facilities and services, such as banking, taxation, and various government programs aimed at supporting business development (Elvlyn & Marhaen, 2022). With NIB, business actors can run their businesses with more confidence and guaranteed legality, so that they can encourage overall economic growth (Supriatna & Jamaludin, 2024). Many business actors in Indonesia have not taken care of the Business Identification Number (NIB) even though the importance of business legality has been socialized by the government (Hapsari, 2022). The main reason behind this is the lack of understanding and information regarding the NIB management procedure, which is considered complicated and time-consuming (Syafrial, 2021). In addition, micro and small business actors often feel that their business is not big enough to require formal legality, or are worried about the costs associated with managing permits (Ramadhan & Rahman, 2024). Limited access to technology and the internet in some areas is also an obstacle, considering that the NIB management process is carried out online through the OSS system (Rahayu et al., 2021). The

government needs to increase socialization and assistance, as well as simplify the management process to make it more accessible to all business actors (Asnaini et al., 2022). Thus, it is hoped that more businesses will manage NIBs, so that they can operate legally and obtain various benefits, including legal protection, access to financing, and opportunities to participate in government programs that support business development (Polly et al., 2024).

Our team is committed to assisting Micro, Small, and Medium Enterprises (MSMEs) in Singosari District, Malang, East Java, in managing their Business Identification Number (NIB) through intensive socialization and assistance. Many MSMEs do not fully understand the importance of NIB and its management procedures. Therefore, our team will hold a series of workshops and direct consultation sessions to provide clear and easy-to-understand information about the benefits of NIB, such as business legality, access to financing, and opportunities to participate in government programs. In addition, we will assist MSMEs in every step of managing NIB through the OSS system, ensuring that every process runs smoothly and without obstacles. With this socialization and assistance, we hope to increase the awareness and participation of MSMEs in Singosari in managing NIB, so that they can run their businesses legally and obtain maximum benefits for their business development.

If there is no socialization and assistance for processing the Business Identification Number (NIB), many Micro, Small, and Medium Enterprises (MSMEs) in Singosari District, Malang, East Java, may continue to operate without the necessary legality. As a result, they will face various challenges such as difficulty in accessing financing from banking institutions, not being able to participate in government programs aimed at business development, and the risk of business closure due to not having an official permit. In addition, a lack of understanding of the importance of NIB can cause MSMEs to feel isolated from opportunities to develop further and innovate. In the long term, this can hinder local economic growth and reduce the competitiveness of small businesses in the area. Therefore, socialization and assistance are crucial to ensure that all MSMEs understand the importance of business legality and receive the support needed to process NIB, so that they can operate more safely, efficiently, and sustainably.

The main objective of the socialization and assistance in managing the Business Identification Number (NIB) is to increase awareness and understanding of Micro, Small, and Medium Enterprises (MSMEs) in Singosari District, Malang, East Java, about the importance of business legality. With this socialization, MSMEs are expected to understand the benefits of NIB, such as access to financing, legal protection, and opportunities to participate in government programs that support business development. In addition, through intensive assistance, MSMEs will be assisted in every step of the NIB management, ensuring that the process runs smoothly and without obstacles. The benefits of this activity are not only limited to obtaining business legality, but also provide a sense of security and confidence for MSMEs in developing their businesses. With NIB, they can more easily innovate, expand their markets, and increase competitiveness, which will ultimately contribute to sustainable local economic growth.

2. METHODS

Socialization and assistance in processing Business Identification Number (NIB) will be carried out in Singosari District, Malang, East Java, Indonesia, with participants consisting of 20 Micro, Small, and Medium Enterprises (MSMEs). This activity will take place from January to March 2024 and will be carried out by lecturers from the Indonesian College of Economics, Surabaya. This activity is designed using a method that includes three main stages (Sulistyan et al., 2023), namely planning, implementation, and evaluation. In the planning stage, the implementation team will identify the needs and obstacles faced by MSMEs in processing NIB. This includes collecting initial data on the level of participant understanding of NIB and the process of processing it. Based on this data, the team will prepare relevant socialization materials and prepare a schedule of activities that include workshops, seminars, and consultation sessions. The socialization materials will be designed to explain the importance of NIB, the procedures for processing it through the OSS system, and the benefits that can be obtained by having a NIB. The

implementation stage will involve direct socialization and assistance activities. Workshops and seminars will be held to provide theoretical and practical understanding of NIB management. Individual consultation sessions will be provided to provide specific guidance to each MSME actor, helping them overcome specific obstacles faced in the NIB management process. A team of lecturers will guide participants through each step of filling out forms and administrative requirements, ensuring that all required documents are met and submitted correctly. An evaluation stage will be conducted to assess the effectiveness of the socialization and mentoring activities. This includes assessing participants' understanding and ability in managing NIB before and after the activity. Questionnaires and interviews will be used to collect feedback from participants regarding the benefits they perceived as well as suggestions for improving future activities. The evaluation results will be analyzed to determine the success of the program and identify areas that need to be improved.

The results of the evaluation of the socialization and mentoring activities for managing Business Identification Numbers (NIB) in Singosari District will be analyzed using a qualitative approach. This approach will involve collecting data through in-depth interviews and open-ended questionnaires with activity participants, to understand their experiences, perceptions, and challenges faced during the NIB management process. This qualitative analysis will allow the implementation team to explore in depth the effects of the socialization and mentoring activities on participants' understanding and abilities. The findings from this analysis will provide rich insights into the success of the program and areas for improvement. The results of the analysis will also help in designing more effective socialization and mentoring programs in the future, ensuring that MSMEs receive the support they need to run their businesses with the appropriate legality.

3. RESULTS AND DISCUSSION

3.1. Results

The socialization and assistance activities for managing the Business Identification Number (NIB) in Singosari District began with a thorough planning stage by a team of lecturers from the Indonesian School of Economics, Surabaya. At this stage, the team identified the needs and obstacles faced by 20 MSME actors in managing the NIB. Initial information was collected through surveys and interviews to understand the level of understanding of participants regarding the importance of the NIB. Based on these findings, the team prepared comprehensive socialization materials and prepared a schedule of activities, including workshops, seminars, and consultation sessions. The materials were designed to provide clear and practical information about the procedures for managing the NIB through the OSS system.

The implementation stage of the activity took place from January to March 2024, consisting of a series of workshops, seminars, and consultation sessions held at various strategic locations in Singosari District. In the workshops and seminars, MSME actors were given a theoretical and practical understanding of the importance of the NIB and the steps to manage it. Individual consultation sessions focused on intensive assistance to help participants overcome specific obstacles in the NIB management process. The team of lecturers provides direct guidance in filling out forms and preparing administrative documents, ensuring all requirements are met correctly and efficiently.



Figure 1. Results of the Implementation of Socialization Activities
Source: Results of Community Service Activities (2024)

After the implementation activities were completed, an evaluation stage was carried out to assess the effectiveness of the socialization and mentoring. The evaluation was conducted using a qualitative approach, by collecting data through in-depth interviews and open questionnaires from participants. This qualitative analysis revealed the experiences, perceptions, and challenges faced by MSME actors during the NIB management process. The results of the analysis showed that participants had a better understanding and felt more confident in managing NIB after participating in this activity. The evaluation also identified areas that needed to be improved for similar activities in the future. Overall, this activity succeeded in achieving its goal of improving the legality of MSME actors' businesses in Singosari District, which ultimately contributed to sustainable local economic growth.



Figure 2. After Socialization and Mentoring
Source: Results of Community Service Activities (2024)

3.2. Discussion

The discussion on the socialization and mentoring activities for the management of Business Identification Numbers (NIB) in Singosari District, Malang, East Java, highlighted the importance of initiatives like this in supporting the development of Micro, Small, and Medium Enterprises (MSMEs). This activity not only provides an understanding of business legality, but also provides wider access and opportunities for MSMEs to develop their businesses sustainably. First of all, socialization and mentoring activities are very important because many MSMEs may not

understand or take the NIB management process lightly. In this context, socialization that includes workshops, seminars, and individual consultation sessions is an effective means to reach and provide appropriate education to MSMEs. The information provided is not only about formal procedures, but also about the benefits they can obtain, such as access to financing, legal protection, and opportunities to participate in government programs that support business growth. Second, intensive mentoring in every step of the NIB management process plays a crucial role in ensuring that the process is not only understood but also implemented correctly by participants. With direct guidance from the team of lecturers, MSMEs can overcome administrative and technical obstacles that often become obstacles in managing business permits. This not only increases compliance with government regulations, but also increases the confidence of MSMEs in running their businesses legally and in a structured manner. In addition, the evaluation conducted after the activity is important to measure the impact and success of this program. The qualitative approach in the evaluation provides an in-depth picture of changes in attitudes, understanding, and readiness of MSMEs in facing business challenges. The findings from this evaluation can be used as a basis for improving and developing socialization and mentoring programs in the future, so that similar activities can be more effective in supporting local economic growth and MSME independence. Socialization and mentoring activities for managing NIB in Singosari District not only focus on providing technical information, but also building the capacity and confidence of MSMEs. By strengthening the legality of their businesses, it is hoped that MSMEs can develop better, make a greater contribution to the local economy, and empower more people to create jobs and improve the welfare of the local community.

The socialization and assistance activities for managing the Business Identification Number (NIB) in Singosari District, Malang, East Java, are supported by the results of previous research conducted by Yuniarti (2023), showing that a good understanding of business legality, including NIB management procedures, significantly increases the confidence and business performance of Micro, Small, and Medium Enterprises (MSMEs). This research shows that MSMEs that have clear business legality tend to be more successful in accessing the market, gaining access to financing, and are better able to survive and thrive in a competitive market. Thus, this activity not only aims to provide information about NIB, but also to empower MSMEs with the knowledge needed to manage their businesses more effectively and sustainably.

4. CONCLUSION

The socialization and assistance activities for the management of Business Identification Numbers (NIB) in Singosari District, Malang, East Java, show the importance of efforts to support Micro, Small, and Medium Enterprises (MSMEs) in obtaining business legality. Through intensive workshops, seminars, and consultation sessions, MSMEs are given a better understanding of NIB, thereby increasing their confidence in managing and developing their businesses sustainably. However, this activity also faces several limitations, especially in terms of accessibility and sustainability of financing to continue long-term assistance for MSMEs. In addition, technical challenges such as limited internet access in several areas are also obstacles to implementing this program comprehensively. To increase the effectiveness of the program in the future, efforts are needed to expand the reach of socialization, strengthen cooperation between academics, local governments, and related stakeholders, and utilize information technology to simplify the NIB management process. In addition, it is necessary to consider the development of a sustainable assistance model, including advanced training and ongoing monitoring to support the sustainable growth of MSMEs in Singosari District and the surrounding areas. With these steps, it is hoped that NIB socialization and mentoring activities can provide a greater and more sustainable impact on the local economy and the welfare of society as a whole.

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