Digitalization of BUMDes: Strengthening Institutions and Developing Business Units of Agung Sejahtera Sumberagung BUMDes Based on Village Potential

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Abstract. This paper is the result of community service in Sumberagung Village, Moyudan, Sleman. The result discusses the role of BUMDes in supporting and empowering the local community in rural areas of Indonesia, particularly in overseeing MSMEs and tourist destinations. BUMDes provides support to MSMEs (Micro, Small and Medium Enterprises) by offering them access to capital, training, and market opportunities, as well as helping them to improve productivity, quality, and competitiveness. In addition, BUMDes can support tourist destinations by providing infrastructure, facilities, and services, which can boost the local economy by creating job opportunities and generating income for the local community. The data also explore the potential for developing e-commerce applications to improve marketing and sales efforts for BUMDes, MSMEs, and tourist destinations, including the importance of attractive design, easy payment and shipping systems, and socialization and training materials to optimize the usage.

Keywords: BUMDes, Institutional Development, Digitalization, Business Units

1 Introduction

In recent years, the concept of BUMDes (Badan Usaha Milik Desa or Village-Owned Enterprises) has gained traction as a means of empowering rural communities in Indonesia. These enterprises are designed to harness the potential of local resources and industries to create sustainable economic development within the village [1]. However, as the world becomes increasingly digital, it is important for BUMDes to adapt and incorporate technology into its operations [2-3]. This is where the digitalization of BUMDes comes into play - it offers an opportunity to strengthen institutions and develop business units of BUMDes like Agung Sejahtera Sumberagung, based on the unique potential of the village. This paper explores the benefits and challenges of digitalizing BUMDes and how it can contribute to the growth and prosperity of rural communities in Indonesia.

The digitalization of BUMDes has the potential to revolutionize the way these enterprises operate. By embracing technology, BUMDes can streamline its processes, improve communication, and increase efficiency. This can lead to improved products and services, as well as increased profits and better economic outcomes for the village [4-5]. Furthermore, digitalization can help to strengthen the institutional capacity of BUMDes. By
implementing digital systems, BUMDes can improve their governance and management practices, making them more transparent and accountable. This can enhance the trust between the BUMDes and the local community, leading to increased participation and support [6-8].

BUMDes, which stands for Village-Owned Enterprises, encompasses various economic activities that can be developed and managed by the community in rural areas. This includes Micro, Small and Medium Enterprises (MSMEs), which are vital in promoting local economic growth and creating job opportunities [9-13]. Additionally, BUMDes can also involve tourism-related activities, such as promoting local cultural heritage and ecotourism, which can potentially increase income and contribute to sustainable development in rural areas [14-18].

Agung Sejahtera Sumberagung is a prime example of a BUMDes that can benefit from digitalization. Based on the unique potential of the village, this enterprise can leverage technology to develop its business units and reach new markets. This can lead to increased revenue and employment opportunities for the local community. However, there are also challenges that come with digitalizing BUMDes. These include limited access to technology and digital infrastructure in some rural areas, as well as a lack of technical expertise among some members of the BUMDes.

2 Methodology

This community service program aims to enhance the capacity of human resources in Sumberagung village, particularly in managing the Agung Sejahtera BUMDes. The goal is to enable them to optimize the potential of the region and create a prosperous economic condition for the community. The expected outcome is for previously underprivileged and disempowered communities to become self-sufficient and empowered. Community empowerment will emphasize the understanding that local potential is an asset and a key weapon in implementing empowerment programs, given that BUMDes is a village economic institution.

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<tr>
<th>Phase I: IDENTIFICATION OF PARTNER’S PROBLEMS, including:</th>
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<td>1) incompetent management of the Village-Owned Enterprises (BUMDes);</td>
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<td>2) lack of skills among BUMDes managers in carrying out administration, such as proposal writing and fundraising; and</td>
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<td>3) lack of efforts to digitize the economy, particularly in terms of marketing.</td>
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<th>Phase II: FORMULATION OF PROGRAM’S OBJECTIVES, including:</th>
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<td>1) increase of the capacity of BUMDes institutional management;</td>
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<td>2) improvement of the understanding of BUMDes managers in administration; and</td>
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<td>3) creation of a process for digitizing the economy through the development of a digital marketing strategy.</td>
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<th>Phase III: IMPLEMENTATION OF METHODS, including:</th>
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<td>1) socialization of business unit development; and</td>
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<td>2) training in e-commerce application skills and digital marketing management strategies.</td>
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<th>Phase IV: OUTPUT, including:</th>
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<td>1) development of business units owned by the village; and</td>
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<tr>
<td>2) establishment of an e-commerce application as a marketing medium owned by the</td>
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Figure. 1. Stages of Asset Based Community Development
This program used the Asset Based Community Development (ABCD) approach, which focuses on empowering the community by utilizing local assets as the primary target. Under this approach, the community is given the opportunity to solve problems using their own resources, thereby enhancing their independence and that of their partners. The implementation of the program went through several stages, including discovery or assessment of community potential, dreams or aspirations and hopes of the community, design or planning for change, and defining and destiny or consolidation of the goals to be achieved [19-20]. The phase of the development is explained as follows:

3 Results and Discussion

It should be noted that BUMDes oversees MSMEs and tourist destinations. BUMDes is a village-owned enterprise that is established to support and empower the local community in rural areas of Indonesia. The primary objective of BUMDes is to increase economic growth and development in the village by creating job opportunities, enhancing income generation, and improving the welfare of the villagers. BUMDes typically operates in various sectors, such as agriculture, handicrafts, tourism, and service industries.

One of the roles of BUMDes is to oversee MSMEs (Micro, Small, and Medium Enterprises) in the village. MSMEs are small businesses that play a significant role in the economic development of Indonesia. MSMEs operate in various sectors, such as agriculture, manufacturing, trade, and services. By overseeing MSMEs, BUMDes provides support to these small businesses by offering them access to capital, training, and market opportunities. BUMDes also helps MSMEs to improve their productivity, quality, and competitiveness.

Another role of BUMDes is to oversee tourist destinations in the village. Tourism is an essential sector in Indonesia that contributes to economic growth and employment. Tourist destinations in rural areas of Indonesia typically include natural attractions, cultural heritage sites, and traditional villages. BUMDes can support these tourist destinations by providing infrastructure, facilities, and services that cater to tourists' needs. BUMDes can also promote these tourist destinations by developing marketing strategies and collaborating with tourism stakeholders such as travel agencies and local governments. By overseeing tourist destinations, BUMDes can help to boost the local economy by creating job opportunities and generating income for the local community.
In the initial stage of activity implementation, the community service team held discussions with the Sumberagung village government and the Agung Sejahtera BUMDes management. The results of the discussion showed an opportunity to develop digital marketing by creating an e-commerce application.

In the next stage, the community service team carried out socialization and discussion regarding the use of e-commerce applications as an effort by BUMDes to improve and develop businesses. E-commerce applications have the benefits of increasing business visibility, facilitating transactions for customers, increasing customer interaction, improving marketing through the use of notifications, and increasing business analysis capabilities.

The important factors in developing an e-commerce application include attractive design and appearance, good application speed and performance, secure and private customer data, and responsive and effective technical support.

Design and concept development of E-commerce for BUMDes, MSMEs, and tourist destinations in villages:

Attractive Application Design. Good e-commerce application design attracts visitors and strengthens the reputation and trust of customers. The website is designed with a theme that matches the characteristics of a specific village or region to attract visitors interested in tourist destinations or local products. Products and services offered must have added value, such as uniqueness, quality, and competitive pricing. Services offered must also be complete and provide added value to visitors.

Easy Payment and Shipping Systems. The E-commerce application is equipped with easy and secure payment and shipping systems. Customers can pay online through various available payment methods, such as Saldo (balance) in the application, bank transfer, or others. Product delivery must be fast and secure, so that customers are satisfied with the service provided.

![Application User Interface for "SIKADES"](image)

The activity is socialization and training on the utilization of E-commerce application in Sumberagung village. The purpose is to improve the marketing of products or services by BUMDes management, MSMEs, and tourism awareness groups (Pokdarwis) in using e-
commerce application. The steps include identifying the needs and target audience, designing the socialization and training materials, delivering the socialization and training materials offline, introducing the relevant e-commerce application, practicing in using e-commerce application, and evaluating the results of the activity.

Figure 4. Instructions for using SIKADES

One of the important materials is training material to use the e-commerce application. The fundamentals of e-commerce: introduce the e-commerce application, types of available e-commerce application, how to use e-commerce application, and optimize e-commerce application usage to enhance product or service sales and marketing. Practical training in using e-commerce application: assigning tasks or exercises related to the usage of e-commerce application to strengthen the understanding of training participants. Relevant e-commerce application: e-commerce platform, social media, and digital payment applications. Real-life examples of how e-commerce application can aid in enhancing the marketing and sales of products or services. Evaluation: a survey or interview to determine the level of understanding of the training participants about the training materials and e-commerce application usage, as well as assessing the success of the training in improving the marketing and sales of the products or services of the training participants.

The data presented the role of BUMDes in supporting and empowering the local community in rural areas of Indonesia, specifically through overseeing MSMEs and tourist destinations. MSMEs are small businesses that play a significant role in the economic development of Indonesia, and BUMDes provides support to these small businesses by offering them access to capital, training, and market opportunities. BUMDes also helps MSMEs to improve their productivity, quality, and competitiveness. Tourism is another important sector in Indonesia, and BUMDes can support tourist destinations by providing infrastructure, facilities, and services that cater to tourists' needs. By overseeing tourist destinations, BUMDes can help to boost the local economy by creating job opportunities and generating income for the local community. The data also showed the opportunity to develop digital marketing by creating an e-commerce application, which can increase business visibility, facilitate transactions for customers, increase customer interaction, improve marketing using notifications, and increase business analysis capabilities. The important factors in developing an e-commerce application include attractive design and appearance,
good application speed and performance, secure and private customer data, and responsive and effective technical support [6-8] [11-13] [16-18].

Figure 5. Team of Community Service and Training of Using SIKADES

4 Conclusions

The digitalization of BUMDes can bring about significant benefits, including increased efficiency, transparency, accountability, and revenue generation. It can also help to strengthen the institutional capacity of BUMDes and enhance community participation and support. However, there are challenges in digitalization, such as limited access to technology and digital infrastructure in some rural areas and a lack of technical expertise among BUMDes members.

To address these challenges, the community service program has used the Asset-Based Community Development (ABCD) approach to empower the community by utilizing local assets as the primary target. The program has also focused on developing an e-commerce application for Agung Sejahtera Sumberagung to improve and develop their businesses.

Based on the results of the discussion, it is recommended for BUMDes and their members to focus on increasing their digital literacy and skills to manage the e-commerce application effectively. This can be achieved through training and workshops conducted by experienced digital professionals. Furthermore, it is suggested that BUMDes collaborate with local and regional government agencies to develop digital infrastructure and access to technology in rural areas. Finally, it is essential to ensure that the e-commerce application's design and appearance are attractive and user-friendly, and that it provides good speed and performance. The application should also prioritize customer data security and privacy, and provide responsive and effective technical support to maintain trust and loyalty from the customers.

References

Society Empowerment Through Digital and Economic Transformation
« Institutional Technological Capacity (ITC) »


