

## The Role of the NTB Regional Research and Innovation Agency in Accompanying and Facilitating UMKM or Start-Ups in NTB

<sup>1</sup> Bq. Ananta Putri, <sup>2</sup> Prayitno Basuki

Faculty of Economics and Business

University of Mataram

Email: anantabaiq19@gmail.com

Article Info	ABSTRACT
<b>Keywords:</b> BRIDA, UMKM, Start Up, Innovation, Mentoring, Facilities, and Business Incubation.	Incubation is one strategy to develop UMKM or startups. Several local governments are trying to implement incubation programs to accelerate the emergence of new businesses in their areas. The West Nusa Tenggara (NTB) Provincial Government has formed a new institution called BRIDA (Regional Innovation Research Agency) which is tasked with handling the incubation process. The question that arises is whether this incubation process is in line with the existing incubation concept. This study uses a qualitative approach through interviews and observations at BRIDA NTB. This study involved interviews with BRIDA managers and tenant members there. The results of the study indicate that the incubation process at BRIDA is in accordance with startup incubation standards, namely BRIDA NTB provides a form of assistance by presenting experienced mentors in various fields, from formulating business ideas to implementing them in the field in covering various important aspects of business development. And BRIDA NTB provides facilities in the form of a place, processing business permits, and free business marketing networks. However, there are obstacles in the follow-up of startup businesses that are still unclear, as well as the limited budget of the local government which makes startup development less than optimal.
This is an open access article under the <a href="#">CC BY</a> license	<b>Corresponding Author:</b> Bq. Ananta Putri E-mail: anantabaiq19@gmail.com



## INTRODUCTION

The development of MSMEs in Indonesia has not yet demonstrated sufficient readiness to face the global market. Although MSMEs are a national priority, they still need to improve to compete internationally. MSMEs account for 95% of businesses in Indonesia and contribute 56.92% to the national GDP. However, their contribution to exports is only around 14.6%. MSMEs hold significant potential in the economy and serve as a livelihood source for entrepreneurs. Support from other

parties, such as the government, private sector, and financial institutions, is essential for the growth and development of MSMEs.

However, many MSMEs do not receive adequate assistance to address their challenges, making mentorship a priority. Mentoring MSMEs can enhance their capacity to face increasing competition and improve their market competitiveness. MSMEs need quick access to information about production and market factors to expand their product networks. Meanwhile, start-ups are newly established companies in the developmental stage, often focusing on high-tech sectors. Start-ups play a crucial role in job creation and economic growth, showing great potential for sustainable economic development. Therefore, it is essential to provide proper mentoring for both MSMEs and start-ups.

The Regional Research and Innovation Agency (BRIDA) of NTB, which focuses on research, development, and innovation, plays a crucial role in supporting MSMEs and start-ups. One of BRIDA's key activities is establishing a business incubator, as outlined in the NTB Governor's Regulation No. 19 of 2022, which aims to foster innovation-driven industries through a business incubation zone. This initiative helps start-ups grow by providing managerial and technical support, including research, mentoring, and business networking. This study will further explore the mentoring process and facilities provided by BRIDA NTB to MSMEs and start-ups.

## **METHOD**

The research method refers to the way researchers collect and process research data (Arikunto, 2013). This research adopts a descriptive qualitative model using a case study method, which means it focuses intensively on a specific object to be studied—in this case, BRIDA NTB. Once the research problem or research objectives are determined, the next step is data collection. This case study research combines several data collection methods, including interviews, document studies, and direct observation at the BRIDA NTB office located in Lelede Village, West Lombok Regency, West Nusa Tenggara. Interviews are conducted with several individuals who are objectively considered to have significant involvement in BRIDA NTB's business incubation programs, such as the incubation managers, business incubation coaches, and entrepreneurs currently or previously incubated by BRIDA.

The interviews are semi-structured, considering that there is a need to explore various information more deeply, especially regarding potential innovations within BRIDA's system. After conducting observations, document studies, and interviews, the next step is data analysis, where the researcher compares the literature with the field findings. Following the analysis, the data are

interpreted and presented in the form of a research report. The descriptive qualitative approach allows for a flexible and detailed explanation of the stages of mentoring and facilitating MSMEs and start-ups at BRIDA, gaining insights into the experiences and meanings from the participants' perspectives, communicated in their own words, and specifically articulated to the researcher.

## **RESULTS AND DISCUSSION**

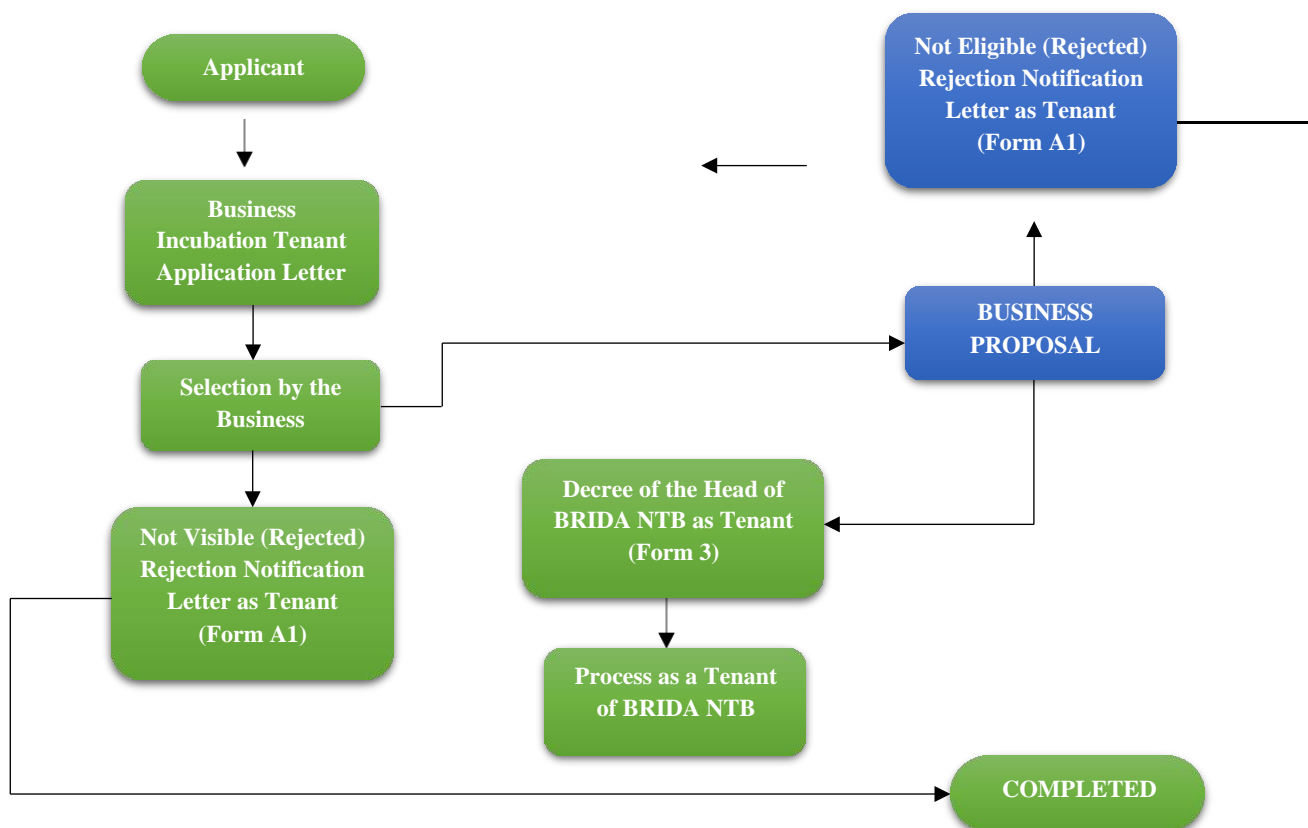
There are several stages in tracing start-ups, including preparation, the selection of companies, and innovation projects for incubation (Morkovina et al., 2015). The success of start-up incubation relies on the mentors' human resources and the curriculum used in the incubator (Wiradinata et al., 2019). Based on field findings, there are several stages of incubation at BRIDA NTB, namely: the Pre-incubation stage, the Incubation stage, and the Post-incubation stage.

### **BRIDA NTB Pre-incubation Stage**

The start-up selection process is based on intangible business criteria such as ideas, team, market, and business model. It also involves individual characteristics like ambition, innovation, and entrepreneurial experience (Arsenyan, 2017; Orchidamoty et al., 2023). BRIDA NTB conducts a selection process to choose incubation participants through a stage called Pre-incubation. At this stage, various activities are carried out to ensure that potential participants have the necessary potential and readiness to join the incubation program. The common steps in the Pre-incubation stage include:

1. Offering the Incubation program,
2. Registration of Incubation participants (tenants),
3. Selection of Incubation participants (tenants), and
4. A written contract with the Incubation participants (tenants).

Here is the flowchart of the Brida NTB Business Incubation Tenant application procedure



Participants who register for BRIDA NTB's incubation program are called prospective tenants, typically novice entrepreneurs or start-ups seeking guidance to grow and compete nationally and internationally. BRIDA NTB's selection process aims to identify start-ups with strong potential, focusing on business uniqueness, growth potential, and market readiness. The registration is conducted through BRIDA NTB's website, followed by an administrative selection assessing business ideas and growth prospects.

After passing the administrative stage, prospective tenants undergo interviews and product presentations, where aspects like product prototypes, business models, and sustainability are evaluated. This process helps BRIDA NTB ensure that the most promising businesses receive further incubation support.

For example, PT Berkahi Gumiku Lestari, with its Ugotin product (animal feed from maggots), and R-One EV, an electric vehicle conversion business, both passed BRIDA's selection in 2022. These companies presented their products and business models, showcasing innovation and sustainability. R-One EV later rebranded in 2024, expanding its services to include electric vehicle prototypes, conversions, and spare parts sales, demonstrating successful outcomes from the incubation process.

### **Brida NTB Incubation Stages**

After the pre-incubation stage, BRIDA NTB guides start-ups through an intensive incubation process, providing tailored mentoring once a month for up to two years, extendable to three. This support covers various aspects such as business idea development, technical guidance, and personal capacity building. The goal is to enhance management skills and market competitiveness. BRIDA offers product marketing training, assists with business permits, and facilitates networking opportunities (business matching) to help tenants secure additional capital and expand markets.

Mentoring is conducted both in person and remotely, using platforms like Zoom for tenants outside Lombok. Sessions focus on technical, managerial, and business development strategies, with BRIDA also supporting product marketing through events, bazaars, and social media. Despite challenges like distance, lack of capital, and legal issues, BRIDA collaborates with partners such as PT Pos Logistik and the Malaysian marketplace Jasmine to help tenants reach national and international markets.

To overcome obstacles, BRIDA works with investors, provides HR support through vocational school graduates, and offers access to production equipment. While funding limitations exist, BRIDA emphasizes business management skills and expanding business networks over capital provision, focusing on sustainable business development.

### **Post-Incubation Stages of BRIDA NTB**

The start-up development process carried out by BRIDA NTB goes through several stages, with the final phase being the post-incubation stage. According to Provincial Regulation No. 19 of 2020, BRIDA NTB is tasked with developing innovative and productive start-up entrepreneurs, involving professional organizations or supporting institutions to promote science and technology.

After completing the incubation process, start-ups enter the post-incubation stage, where the focus is on ensuring they can operate independently and sustainably. The goal is for these start-ups to become stable companies that contribute to local and national economic development. BRIDA NTB provides long-term support during this stage, helping businesses remain competitive.

According to a BRIDA NTB tenant coach, tenants are given the freedom to determine if they can continue their businesses independently. Successful tenants may merge with others or continue on their own, while those who are not successful after additional time may be removed from the program. A key challenge is providing sufficient support to businesses outside Lombok, which can hinder their progress.

Once a start-up has completed the incubation process, BRIDA NTB continues to assist by connecting them to business networks and financing sources, monitoring their progress, and offering opportunities to establish legal entities. If tenants wish to continue using BRIDA NTB facilities after becoming independent, they can do so through a rental agreement and cooperation contract.

## CONCLUSION

The start-up development process at the West Nusa Tenggara Regional Research and Innovation Agency (BRIDA) business incubation center consists of three main stages: pre-incubation, incubation, and post-incubation. Unlike several other incubation models, BRIDA NTB does not implement a seed stage in its process. Instead, BRIDA directly selects start-ups that have shown good business progress to participate in the incubation program, taking into account the available quota and funds. In this context, BRIDA acts as an incubator, while incubation participants are referred to as start-ups or tenants. After the incubator is formed, a management team is also formed consisting of a Chairperson, Head of Sub-Division, mentor, and coach or assistant. The pre-incubation stage begins with the offering of the incubation program, followed by tenant selection, and ends with the signing of a written contract between the incubation participants and BRIDA. In the incubation stage, which lasts for two years and can be extended for three years, start-ups receive various forms of support such as training, mentoring, facilities, and networks needed to expand their market to national and international scales. This process uses technology and follows the curriculum set by BRIDA NTB, although in practice it is also adjusted to the needs and demands of each tenant. After that, the post-

incubation stage aims to evaluate whether the business has developed according to the set target. After tenants graduate from the incubation program, they can still use BRIDA facilities, but with a rental system. The pre-incubation stage itself includes three main steps: offering an incubation program, tenant selection, and a written contract between the tenant and BRIDA. The main obstacles faced by BRIDA NTB in running this program include the less than optimal implementation of the curriculum, limited funds, human resources, and limited reach to businesses outside the area. Nevertheless, the existence of BRIDA NTB provides great opportunities for the development of innovation and business in the West Nusa Tenggara region.

### REFERENCE

- Annisa Cindy Maurina, & R Yuniardi Rusdianto. (2023). Strategy to Increase Competitiveness of MSMEs in International Trade. *Journal of Community Service* , 2 (2), 70–76. <https://doi.org/10.55606/jpkm.v2i2.146>
- Arifudin, O., Wahrudin, U., Rusmana, FD, & Tanjung, R. (2020). Assistance for MSMEs in Increasing Production Results and Sales Results of Opak, a Typical West Java Food. *Jurnal Karya Abdi Masyarakat* , 4 (2), 313–322. <https://doi.org/10.22437/jkam.v4i2.10560>
- Baltrunaite, V., & Sekliuckiene, J. (2020). The use of organizational learning practices in start-ups growth. *Entrepreneurial Business and Economics Review* , 8 (1), 71–89. <https://doi.org/10.15678/EBER.2020.080104>
- Bosch, J., Olsson, H. H., Björk, J., & Ljungblad, J. (2013). The early stage software startup development model: A framework for operationalizing lean principles in software startups. *Lecture Notes in Business Information Processing* , 167 , 1–15. [https://doi.org/10.1007/978-3-642-44930-7\\_1](https://doi.org/10.1007/978-3-642-44930-7_1)
- Giaretta, E., & Chesini, G. (2021). The determinants of debt financing: The case of fintech start-ups. *Journal of Innovation and Knowledge* , 6 (4), 268–279. <https://doi.org/10.1016/j.jik.2021.10.001>
- Hardiansyah, R., & Tricahyono, D. (2019). Economic journal identification of success factors for digital start-ups in Bandung city. *Journal of Economics and Business* , 27 , 134–145.

- Irawan, PLT, Kestrilia Rega Prilianti, & Melany. (2020). Empowerment of Small and Medium Enterprises (SMEs) Through E-Commerce Implementation in Tlogomas Village. *SOLMA Journal* , 9 (1), 33–44. <https://doi.org/10.29405/solma.v9i1.4347>
- Maulani, A. (2020). Startup Development Center (Startup Incubator and Co-Working Space) in Pontianak City. *Online Journal of Architecture Students, Tanjungpura University* , 8 , 12–28.
- Morkovina, SS, Kolesnichenko, EA, Spesivtsev, VA, & Ivanova, AV (2015). Principles of Innovational Startup Selection for E-Platforms Placement. *Mediterranean Journal of Social Sciences* , 6 (6), 201–208. <https://doi.org/10.5901/mjss.2015.v6n6p201>
- Nurcahyo, R., Akbar, MI, & Gabriel, DS (2018). Characteristics of startup company and its strategy: Analysis of Indonesian fashion startup companies. *International Journal of Engineering and Technology(UAE)* , 7 (2), 44–47. <https://doi.org/10.14419/ijet.v7i2.34.13908>
- Orchidamoty, Nabila, HN, & Firmansyah, M. (2023). Start Up Incubation Process and Constraints Faced: A Study on Bida NTB. *Jurnal Distribusi* , 11 (1), 67–80.
- Rahmah, U., & Iryanti, E. (2023). Optimization of MSME Assistance Efforts to Improve Branding of Iborajut MSMEs. *Journal of Results of Indonesian Community Service Activities* , 1 (2), 98–105.
- Sari, YP, Farida, I., & Hetika, H. (2019). Model of Mentoring for MSMEs in Marine Product Processing with Integrated Mentoring Approach Method. *Monex Journal Research Accounting Politeknik Tegal* , 8 (1), 293–302. <https://doi.org/10.30591/monex.v8i1.1269>
- Sedyastuti, K. (2018). Analysis of Empowerment of MSMEs and Increasing Competitiveness in the Global Market Arena. *INOBIIS: Indonesian Journal of Business Innovation and Management* , 2 (1), 117–127. <https://doi.org/10.31842/jurnal-inobis.v2i1.65>
- Tanan, CI, & Dhamayanti, D. (2020). Assistance for MSMEs in Managing Business Finances to Improve the Community Economy in the Abepura District, Jayapura. *Amalee: Indonesian Journal of Community Research and Engagement* , 1 (2), 173–185. <https://doi.org/10.37680/amalee.v1i2.408>
- van Weele, M., van Rijnsoever, F.J., Eveleens, C.P., Steinz, H., van Stijn, N., & Groen, M. (2018). Start-up! Lessons from international incubation practices to address the challenges faced by



Western European start-ups. *Journal of Technology Transfer* , 43 (5), 1161–1189.  
<https://doi.org/10.1007/s10961-016-9538-8>

Wiradinata, T., & Antonio, T. (2019). The Role of Curriculum and Incubator towards New Venture Creation in Information Technology. *International Journal of Education and Management Engineering* , 9 (5), 39–49. <https://doi.org/10.5815/ijeme.2019.05.05>.