



Micro Business Development Strategy by Creating Business Identification Number (NIB) in Wonoayu District

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Abstract: Business development strategies play a crucial role in enhancing local economic growth and entrepreneurial potential. This study examines the implementation of Business Identification Number (NIB) registration as a strategic approach to business development in Wonoayu Village. The activity aims to analyze the impact of NIB registration on local businesses, identifying the challenges and opportunities associated with formal business recognition. Using a mixed-methods approach, the study conducted comprehensive surveys, interviews, and document analysis with local entrepreneurs and village officials. The findings reveal that NIB registration significantly contributes to business formalization, providing entrepreneurs with improved access to financial services, government support, and legal protection. Key challenges include limited awareness of registration processes, bureaucratic complexities, and initial registration costs. However, the benefits demonstrate substantial potential for business growth, including enhanced credibility, increased market opportunities, and simplified business operations. The study suggests targeted support mechanisms, including local government guidance, capacity-building workshops, and simplified registration procedures to maximize NIB registration benefits. These findings contribute to understanding the role of formalization in local economic development and provide practical insights for supporting small and medium enterprises in rural contexts. The research highlights the importance of strategic interventions that can transform informal businesses into recognized, sustainable economic entities.

Keywords: NIB; Business; Development.

Introduction

Micro Business is a business owned by an individual or a business entity that is running and making a profit. Furthermore, Small Business is a business that is running and run by an individual and not through a medium or large company (Fauziyyah, 2023). Small and medium enterprises have almost the same meaning, the only difference lies in the turnover obtained from a business (Nailah, 2018). MSMEs can be a supporter of a country's economy. Therefore, it is necessary to develop MSMEs to improve the quality of a country (Sirait, 2024).

The development of Micro, Small, and Medium Enterprises (MSMEs) in Indonesia is one of the main focuses in efforts to improve the national economy. In Wonoayu District, the MSME development strategy

through the creation of a Business Identification Number (NIB) is an important step to strengthen the legality and market access for micro business actors. NIB not only functions as a business identity, but also as a tool to facilitate access to various government and banking services that can increase the competitiveness of MSMEs (Yolanda, 2024). In the context of the Indonesian economy, Micro, Small, and Medium Enterprises (MSMEs) play a very important role. Based on data from the Ministry of Cooperatives and SMEs, MSMEs contribute around 57.14% to Gross Domestic Product (GDP) and absorb almost 97% of the workforce in Indonesia (Jessica, 2023). However, MSMEs in Wonoayu District face various challenges that hinder the growth and sustainability of their businesses. One of the main challenges is limited access to capital. Many MSMEs have difficulty obtaining financing from formal financial

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institutions due to a lack of understanding of financial products, as well as the application process which is considered complicated and risky (Zihan, 2024).

Apart from capital problems, the lack of quality human resources (HR) is also a significant obstacle (Falah, 2024). Many MSME players do not have sufficient knowledge in business management and technology, which results in low productivity and competitiveness (Lisnawati, 2024). In today's digital era, the ability to utilize information technology is very crucial. However, there are still many MSMEs that have not been able to adapt to this change, so they lose opportunities to expand their markets and increase operational efficiency (Bernadeth, 2022).

In expanding and improving the operational efficiency of an MSME, you can pay attention to marketing strategies. Limited marketing strategies are also a serious problem for MSMEs. Many business actors in Wonoayu still rely on traditional marketing methods and have not utilized digital platforms optimally. This results in difficulties in reaching wider consumers and increasing brand awareness (Vera, 2024). On the other hand, increasingly tight competition with large companies, both local and international, means that MSMEs must innovate to remain relevant and competitive in the market (Agung, 2024).

With increasingly tight competition, MSMEs must also be able to compete. One step that can be taken to be able to compete nationally and internationally is to have business legality (View of Assistance in Making a Business Identification Number (NIB) in the Framework of Developing MSMEs in Ngampungan Village). The business legality that can be done is making a NIB. With the existence of a Business Identification Number (NIB), it is hoped that it can be a solution to several of these challenges. NIB not only provides legality to business actors but also opens access to various government services such as training, funding, and market information. By having a NIB, MSME actors in Wonoayu District can increase their competitiveness and contribute more significantly to the local economy.

Therefore, this study aims to analyze the strategy of developing MSMEs through the creation of NIB as an initial step in strengthening the position of business actors in the market. By understanding the existing challenges and potentials that can be utilized, it is hoped that this study can provide useful recommendations for the development of MSMEs in Wonoayu District.

Method

Survey

The survey will be conducted by distributing online forms to micro-business actors in Wonoayu District to find out the number of businesses that do not yet have a

Business Identification Number (NIB) and to measure their understanding and interest in officially registering their businesses by identifying various obstacles faced in the registration process.

Socialization

The socialization activity aims to provide an explanation to micro business actors about the benefits of the Business Identification Number in terms of legality and business development by explaining the NIB registration procedure systematically and opening up opportunities for questions and answers to help participants understand the business registration process.

Mentoring

The mentoring stage is carried out by a team consisting of universities and sub-district governments by providing direct assistance in the NIB registration process, starting from helping to fill out online forms to completing all administrative requirements and providing further consultations to support the success of the formalization of micro-businesses in the sub-district.

Results and Discussion

Pre-Activity

Based on a survey conducted in Wonoayu District, a fundamental problem was identified in the micro business sector related to not having a Business Identification Number (NIB). The majority of small business actors in the area showed limited knowledge about the significance of NIB and faced obstacles in understanding the administrative procedures for managing it.

The effort to empower micro businesses is realized through a community service program that specifically focuses on knowledge transfer and comprehensive guidance for business actors in the process of managing Business Identification Numbers. The initiation of this activity aims to empower micro-scale entrepreneurs so that they can develop their business entities with a legal and structured foundation.

Initial findings of the study revealed that out of a population of 100 micro-business units studied, 68 business entities had not obtained a NIB. Significantly, 50 of them showed enthusiasm and willingness to complete the NIB process within a month after receiving socialization and technical guidance.

The mentoring methodology applied includes systematic and comprehensive stages, starting from identifying substantive problems, providing an in-depth understanding of the urgency of NIB, guiding the administrative technicalities of registration, to accompanying the entire NIB management process. This

strategic approach is expected to facilitate micro-business actors in Wonoayu District in obtaining formal business legality and optimizing the development of their business ecosystem.

Implementation of Activities



Figure 1. Opening of NIB Socialization Activities



Figure 2. Socialization Process

Socialization and assistance in making a Business Identification Number (NIB) was carried out on October 3, 2024, starting at 09.00 until finished, taking place at the Wonoayu Simoangin-angin Village Hall. This community service activity was designed in two structural stages.

The first stage focused on delivering comprehensive material that explored the urgency of the Business Identification Number for Micro Business actors in the Wonoayu District area. Furthermore, the procedural mechanism for making NIB was explained which can be accessed for free by Micro Business actors. The main objective of this intervention is to transform the understanding of Micro Business actors regarding the significance of the Business Identification Number in

the context of business development and optimization of the licensing process.

The second stage is an intensive mentoring phase carried out by technical officers and a mentoring team to facilitate the NIB creation process. Micro Business actors are instructed to register by filling out the registration form manually. The day before the implementation, participants are required to bring a smartphone device, identity documents, and prerequisite documents required for registration, including identity cards, population documents, and supporting documents related to the business.



Figure 3. MSME Assistance Regarding the NIB Making Process



Figure 4. Q&A Session during Mentoring

In Figure 3, the mentoring process begins with filling out a form that includes important information about the business actor and the characteristics of their business. Participants are asked to fill out a written form containing the owner's identity data, business details, and descriptions of the products produced. After completing the written form, the business actor then registers via the website <https://oss.go.id/> to register for a Business Identification Number (NIB) independently and is guided through a live presentation on the spot via a projector. The business actors are also

assisted by mentors from the Central Statistics Agency and mentors from the Micro Business Cooperative Service.

Business actors will be explained in detail by the assistant until they understand the KBLI Code and what business requirements are needed when the Business Identification Number (NIB) has been issued. Because many business actors are already quite large and running quite well but they do not understand the type of business they are classified as an industry or medium business.

In the online form, participants are required to include complete personal data, business information, including the name and address of the business, and attach supporting documents such as identity photos, product photos, and proof of business ownership. This registration process aims to ensure the accuracy of the data and facilitate the processing of the Business Identification Number (NIB). After the online form is completely filled in, the Cooperatives Office will complete and identify each business actor who has filled out the form.

Conclusion

From the results of the implementation of the community service program, it can be concluded that Micro Business actors in Wonoayu District have successfully received education on the importance of the Business Identification Number (NIB) in developing their business. The socialization and assistance activities for making NIB have proven effective in helping micro business actors in simplifying the business licensing process and opening up business development opportunities.

Through this program, as many as 50 Micro Business actors in Wonoayu District have successfully obtained NIB, which is expected to support the growth and development of their businesses. The benefits obtained include: easy access to permits, increased business credibility, opening up funding opportunities, and government support in developing micro businesses.

It is hoped that ownership of NIB can help increase consumer confidence, expand market access, increase competitiveness, provide added value to businesses, and open up opportunities to obtain financing and government support in developing the local economy in Wonoayu District.

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