

ENTREPRENEURSHIP ANALYSIS TO THE SUCCESS OF MSME AT DESA COT BATEE, BIREUEN IN LIVELIHOOD PROJECT OF UMCOR-NGO INDONESIA

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Abstract: *This paper present finding that capital was not primary factor for entrepreneurial success of 43 MSME's beneficiaries receiving Livelihood Project' fund from UMCOR-NGO Indonesia, aftermath 2004 Indian Ocean tsunami disaster. Capital that was not supported at the same time with proper business management and entrepreneurial spirit of respective MSME's beneficiaries resulted in extremely difficult to develop. The method of research is descriptive-quantitative. The research found that UMCOR has not properly scrutinized individual beneficiaries' ability prior conducting entrepreneurial activities, in accordance to initial data processing of entrepreneurial success indicator. Poor intensive assistance from reliable parties towards beneficiaries' problems solving also contributed to the burdensome. The study concludes that it is necessary to develop an assessment indicator system of entrepreneurial success within the project assessment. It allows UMCOR-NGO to alleviate obstacles and contributes substantial supports for the beneficiaries' entrepreneurial success: to be capable of producing its contributions to economy and to society.*

Key words: *Entrepreneurial Spirit, Entrepreneurship, MSME, Livelihood.*

1. Introduction

The similarity between the Indian Ocean tsunami disasters in NAD in 2004 with the Global Economic Crisis in 2008 were both destroyed the economy of the affected residents.

Learning from the economic crisis in 1998, a group that was not affected by the economic crisis is a small, micro, medium enterprises (MSMEs). MSMEs had been hailed as savior of the nation's economy. They can survive as they did not require imported materials and most of them oriented to the local market.

The advantages of MSMEs are able to absorb the labors if the type of business is production or provide self-sufficiency in obtaining income if its business is individual. In other word, the MSME has important role in economic resilience of the country, especially in developing country such as Indonesia.

Unfortunately, the MSME sector has a weakness. Poor entrepreneurial spirit in doing business make it difficult to keep exist and survive for a long period. This indication is in line with Peter F. Drucker (1986) opinion "At the same

time, inherent in the managerial task is entrepreneurship". Whereas indicators developed countries cited from David McClelland's thoughts contained in the book Ciputra (2008), a local businessman, if the entrepreneur in the country at least 2% of the population.

UMCOR (*United Methodist Committee on Relief*) - NGO Indonesia, with experience in construction and livelihood project, seeks to enable tsunami survivor in village of Bireuen district to operate successful, sustainable business to support themselves and their family.

The program to this aim is SIGA I (*Sustainable Income Generation in Aceh*). This project will benefit entrepreneur and providing inputs to lunch successful business to MSME, farmer and fisherman.

Throughout the project, UMCOR cooperated with already established voluntary CDCs (Community Development Committees) that are a community which has 6 capable persons whom chosen from the village to assist project beneficiaries and manage social repayment. CDC was established to be a leader and give advocacy

for the community as well as supervising and controlling the repayment from beneficiaries. This repayment was further used for the development of the village infrastructure and also passed to other society member whom need fund to support their business.

The process of this project is: conducting assessment, management training and technical training to assist the beneficiaries operate the business. As lack of capital is a major constraint for residents of the village, during year 2007, UMCOR delivered income generation (IG) package to 97 beneficiaries in Desa Cot Batee, Bireuen that include all the necessary equipment and material to start a business. A number of 43 among others are MSME. This IG packages are not solely free of charge. Each beneficiary has obligated to return 50% (fifty percent) of accepted aids amount to the CDC.

The IG package to MSME in Rupiahs can be seen at the Tables 1.1.

In the implementation of the Project, not all beneficiaries can return the fund of the aid of

UMCOR as the target mention to CDC. Though, the target of the repayment was socialite to the beneficiaries before and they agreed to this condition. In April 2008 the target of the refund was changed from Rp. 200.000 per month into Rp. 100.000 per month.

In May 2008, SIGA I Project was accomplished. Pursuant to the report of CDC in May 2008 the result of the refund to CDC can be seen at The Tables 1.2.

As mentioned in the MDG report, to break the chain of poverty effectively, we need a full and productive employment are eligible for the poor. While on the other hand M. Yunus, founder of the Grameen Bank has declared from his observation that People were not poor because they were stupid or lazy. They worked all day long, doing complex physical tasks. They were poor because the financial structures which could help them widen their economic base simply did not exist in their country. It was a structural problem, not a personal problem (1998).

Table 1.1 List of Beneficiaries of SIGA I Year 2007

No.	Description	Beneficiaries	IG Package in Rupiah
1	Sewing	1	5,702,500
2	Bakery	1	5,367,000
3	Retail Trading	3	5,175,000
4	Coffee Shop	2	6,300,000
5	Motorbike	3	8,321,700
6	Groceries	13	5,675,000
7	Becak	2	7,400,000
8	Public	5	5,500,000
9	Fruits Seller	1	5,550,000
10	Fish Seller	12	6,050,000
Total		43	

Source: UMCOR Beneficiaries Handover Documents

Table 1.2. IG Package Refund to CDC

No.	Description	Total Amount of IG Package (Rp.)	Refund Target upto May 08(* (Rp.)	Total Refund per May 08 (Rp.)
1	Sewing	5,702,500	800,000	220,000
2	Bakery	5,367,000	800,000	70,000
3	Trading Retail	15,525,000	2,400,000	395,000
4	Coffee Shop	12,600,000	1,600,000	1,120,000
5	Motorbike Service Station	24,965,100	2,400,000	195,000
6	Groceries	73,775,000	10,400,000	6,520,000
7	Becak	14,800,000	1,600,000	870,000
8	Public Trans./Ojek	27,500,000	4,000,000	1,495,000
9	Fruits Seller	5,550,000	800,000	110,000
10	Fish Seller	72,600,000	9,600,000	3,540,000
Total		258,384,600	34,400,000	14,535,000

*) Instalment of Refund in Jan-Mar Rp. 200.000/Month, Apr - May Rp. 100.000/Month

When UMCOR through it SIGA project seeks solution to provide a full and decent employment for the poor aftermath tsunami disaster by providing capital to start a new business to the beneficiaries, obviously they was unable to do repayment to the CDC, although the amount of the repayment is only 50% from IG package.

Based on the explanation above, it is necessary to do a research to reveal why the beneficiaries are unable to return the repayment, although the install payment has been reduced by using indicator of entrepreneurial success to identify the beneficiaries' problem.

2. The Theory Framework

2.1. MSMEs Definition

MSMEs are defined as follows: MSME are economically productive activities that stand alone, performed by individual person or business entity that is not a subsidiary or branch' company, controlled or a part, either directly or indirectly from business medium or large business eligible for small business (UU No. 20/2008).

2.2. Project Definition

Christianto and Made Wiryana (2002) revealed the characteristics of the project as follows:

1. The task is unique and not repetitive.

2. Designed to achieve specific results.
3. Requires a variety of sources that require coordination.
4. Constrained by time, therefore has the age of life (lifetime).
5. Have a start and end date.
6. Have a plan / cost estimates.
7. Role and relationship between the team and changes need to be developed, defined, and established.

2.3. Livelihood Project Framework

The United Nations Development Program (UNDP) differentiates between a job and a livelihood, which are often used interchangeably.

- Jobs
"A job connotes one particular activity or trade that is performed in exchange for payment. It is also a formal agreement, as manifested by a contract, between an employer and employee... A job can, however, comprise part of an overall livelihood, but does so only to complement other aspects of a livelihood portfolio.
- Livelihoods
"A livelihood, on the other hand, is engagement in a number of activities which, at times, neither require a formal agreement nor are limited to a particular trade. Livelihoods may or may not involve money. Jobs invariably do. Livelihoods are self-directing.....

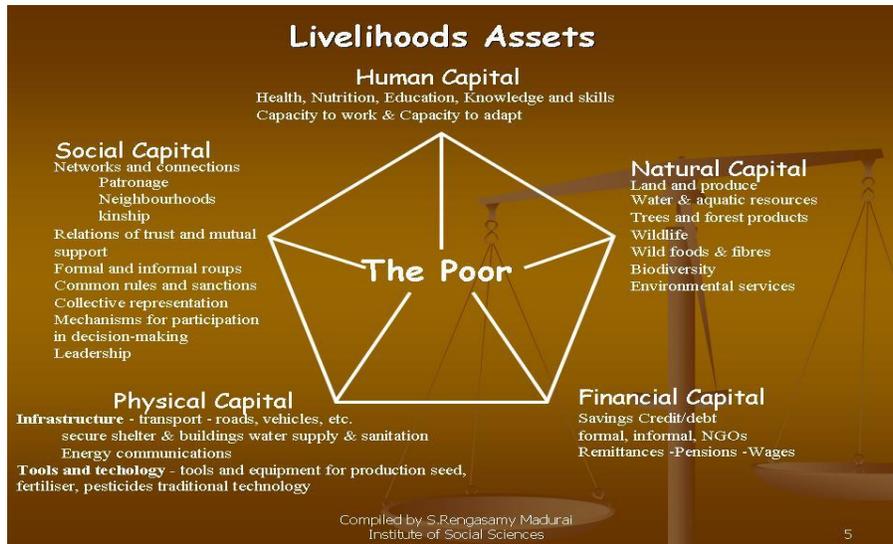
Livelihoods are based on income derived from "jobs", but also on incomes derived from assets and entitlements. "A means of living or of supporting life and meeting individual and community needs"

The principles of livelihood project are as follow:

1. People-centered
2. Responsive and participatory

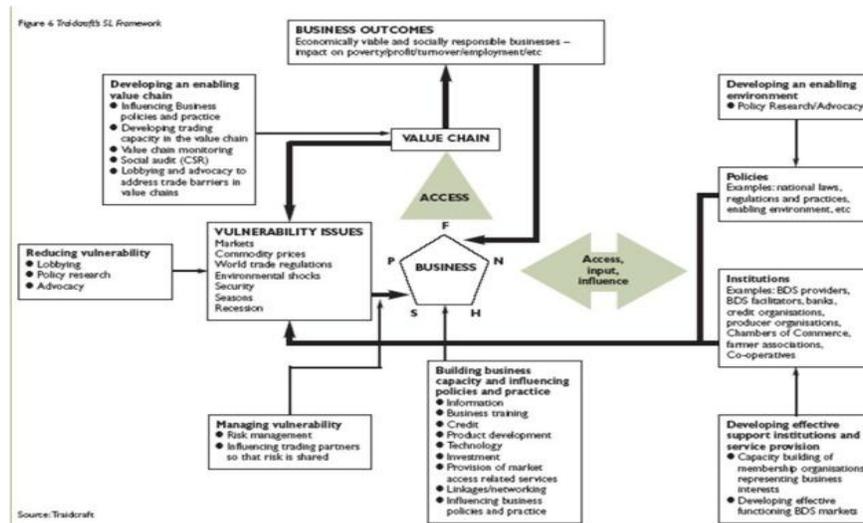
3. Multi-level
4. Conducted in partnership
5. Sustainable
6. Dynamic
7. Holistic
8. Building on strengths

There are five assets within livelihood project that can be seen in Figure 2.1.



Source: S. Rengasamy Madurai, Institute Social Sciences, India.

Figure 2.1. Livelihoods Assets



Source: S. Rengasamy Madurai, Institute Social Sciences, India, cited Traidcraft.

Figure 2.2. Sustainable Livelihood Project Framework

2.4. Entrepreneurship and Small Business

Management Guru Peter F Drucker, states that:

“Innovation is a discipline, with its own, fairly simple, rules. And so is entrepreneurship”

“Innovation is organized systematic, rational work” (1985).

People use the terms “entrepreneur” and “small business owner” synonymously. While they may have much in common, there are significant differences between the entrepreneurial venture and the small business. Entrepreneurial ventures differ from small businesses in these ways (www.quickmba.com):

1. **Amount of wealth creation** - rather than simply generating an income stream that replaces traditional employment, a successful entrepreneurial venture creates substantial wealth, typically in excess of several million dollars of profit.
2. **Speed of wealth creation** – while a successful small business can generate several million dollars of profit over a lifetime, entrepreneurial wealth creation often is rapid; for example, within 5 years.
3. **Risk** – the risk of an entrepreneurial venture must be high; otherwise, with the incentive of sure profits many entrepreneurs would be pursuing the idea and the opportunity no longer would exist.
4. **Innovation** – entrepreneurship often involves substantial innovation beyond what a small business might exhibit. This innovation gives the venture the competitive advantage that results in wealth creation. The innovation may be in the product or service itself, or in the business processes used to deliver it.

Although there are distinction between entrepreneur with small business owner, does not mean that small businessowner can notdevelop their business to become more larger, but small business owner should be able to sharpen and implement the spirit of entrepreneurship in running the business, so the risk of mortality can be eliminated and the achievement of the small businessbecome more significant.

As Drucker defined that entrepreneurship begin from fairly simple thing, so does small business begin (Megginson, Bryd and Megginson, 2003), it come from simple idea as follow:

1. Achieve independence;
2. Obtain additional income;

3. Help their families;
4. Provide product not available elsewhere.

Why do new businesses fail? These problems were caused by limited profitability and growth, the decision to voluntarily close the business, or financial failure.

Based on Minota Corp. survey of 703 businesses with fewer than 500 employees found that the main reasons of businesses fail were:

1. Lack of Capital (48%)
2. No business knowledge (23%)
3. Poor management (19%)
4. Inadequate planning (15%)
5. Inexperience (15%)

From the fifth element, we can divide it into two big problem categories: (1) Capital and (2) Business Management (Megginson, Bryd and Megginson, 2003).

Peter F Drucker (1986) described how business management has relationship with entrepreneurship:

At the same time, inherent in the managerial task is entrepreneurship: making the business of tomorrow. Inherent in the task is innovation. Making the business of tomorrow starts out with the conviction that the business of tomorrow will be and must be different. But it also starts out of necessity—with the business of today. Making the business of tomorrow cannot be a flash of genius. It requires systematic analysis and hard, rigorous work *today*—and that means by people in today’s business and operating within it.

The specific job of entrepreneurship in business enterprise is to make today’s business capable of making the future, of making itself into a different business. It is the specific job of entrepreneurship in the going business to enable today’s already existing—and especially today’s already successful—business to remain existing and to remain successful in the future.

Success cannot, one might say, be continued forever. Businesses are, after all, creations of man which have no true permanence. Even the oldest businesses are creations of recent centuries. But a business enterprise must continue beyond the lifetime of the individual or of the generation to be capable of producing its contributions to economy and to society. The perpetuation of a business is a central entrepreneurial task—and ability to do so may well be the most trenchant and definitive test of a management.

2.5. Social Entrepreneur

Joharinnison (1989) cited in Trilok Kumar Jain (1999), defines social entrepreneurs as: "someone who through the extensive use of personal networking facilitation and resources amassing skills revitalizes a local community in both social and economic arenas."

2.6. Successful Entrepreneur Indicator

Barringer and Ireland (2006) print out that there are four characteristics of successful entrepreneurs:

1. **Passion for the Business**
This passion typically stems from the entrepreneur's belief that the business will positively influence people's lives
2. **Product/Customer Focus**
An entrepreneur's keen focus on products and customers typically stems from the fact that most entrepreneurs are, at heart, craftspeople.
3. **Tenacity Despite Failure**
Because entrepreneurs are typically trying something new, the failure rate is naturally high. A defining characteristic for successful entrepreneurs is their ability to persevere through setbacks and failures.

4. Execution Intelligence

The ability to translate thought, creativity, and imagination into action and measurable results is the essence of execution intelligence.

Blanchard (2008) states that there are 20 characteristics of successful entrepreneurs: (1) resourcefulness, (2) determination, (3) focus, (4) risk management, (5) problem solving, (6) salesmanship, (7) visionary, (8) optimistic, (9) leadership, (10) ambitious, (11) innovation, (12) integrity, (13) adaptability, (14) communication, (15) self motivation, (16) strategist, (17) team player, (18) purposefulness, (19) curiosity, (20) balance.

Further Blancard (www.estrengths.com) provided assessment that has been designed with the sole purpose of helping entrepreneurs to **learn** and **leverage their strengths**, accordance to the twenty characteristics of successful entrepreneurs.

From both characteristics of successful entrepreneurs above, formulation of indicator of successful entrepreneur is obtained as can be seen in Figure 2.3.



Figure 2.3. Indicators of Successful Entrepreneur

2.7. Benchmarking

However, there are obstacles in the implementation of this benchmark. Mistakes are often made by the management is that they always adopt something without seeing or assessing

existing conditions exist in their environment (ie: culture, behavior, etc.). So what is their adoption never achieve maximum results, even failure.

Tom Peter said "Kaizen (Continuous Improvement) is... Very Dangerous Stuff." We can not deny that Kaizen idea is "Excellent!"

Many companies quickly copied their essential competitive idea, implemented, and caught in this theory. Unfortunately the company does not realize that: excellence has become transient...the pursuit of perfection (at today's "sport") gets in the way of ferreting out the next big thing.

In line with Tom Peter, Drucker (1986) said that management is work, and as such it has its own skills, its own tools, its own techniques. A good many skills, tools, and techniques are discussed in this book, a few in some detail. But the stress is not on skills, tools, and techniques. It is not even on the work of management. It is on the tasks.

These following projects can be contributed to this research to become benchmarking.

1. Grameen Bank in Bangladesh - Grouping of Members for the smoothness of Credit Returns.
2. The Fortune at The Bottom of the Pyramid Case -Rural Networking Project – e-Choupal ITC
3. PT. HM Sampoerna – CSR – Village Community Empowerment.

3. Research Method

The research is descriptive-quantitative, which is a type of research that combines quantitative research with qualitative research. The purpose of using this method is to clarify the meaning of research (Bungin, 2008). Quantitative analysis is used to measure the level of

entrepreneurial spirit of the beneficiaries. While the results of measurements entrepreneurial spirit and process of the implementation of livelihood project will use qualitative methods.

3.1. Data Collection Techniques

Data collect in this study are through:

1. Questionnaire. The questionnaire was formulated from the adaptation and modification of questions derived from www.estrengths.com
2. Observation
3. Interview

3.2. Population

Population is the subject of research. In this study, the subjects were all SIGA I project beneficiaries during the year 2007 in the village of Cot Batee, Bireuen, NAD which in groups of MSMEs.

3.3. Data Analysis

This study uses Likert Scale in the questionnaire. The value of 1 for "never", the value of 2 for "seldom", the value of 3 for "sometimes", the value of 4 for "frequently" and the value of 5 for "always", Blancard www.estrengths.com. Questionnaire data collected will be analyzed based on the norm score as can be seen in Table 3.1. The process of final entrepreneurial spirit of beneficiaries can be seen in Figure 3.1.

Table 3.1. Norm Score of Characteristics of Successful Entrepreneurs

No.	Attribute	Norm Score
1	Resourcesfulness	3,94
2	Determination	2,44
3	Focus	4,05
4	Risk Management	3,79
5	Problem Solving	4,12
6	Salesmanship	3,55
7	Visionary	3,51
8	Optimistic	4,04
9	Leadership	4,11
10	Ambitious	4,22
11	Innovation	4,41
12	Integrity	4,31
13	Adaptability	4,08
14	Communication	4,30
15	Self Motivation	4,39
16	Strategist	3,73
17	Team Player	2,66
18	Purposefulness	4,36
19	Curriosity	4,07
20	Balance	3,69

Source: Ken Blancard, *Entrepreneurial Strengths Assessment*, www.estrengths.com.

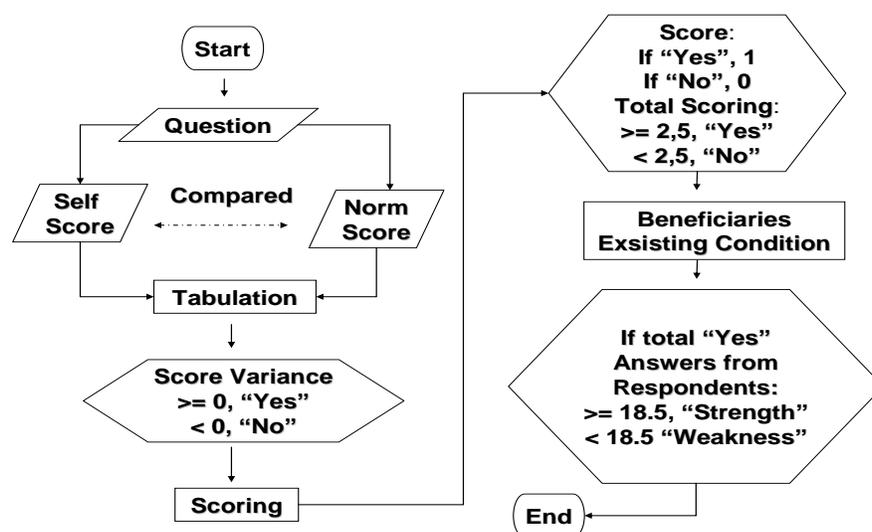


Figure 3.1 Flowcharts' Entrepreneurial Spirit of Beneficiaries.

The process of implementation of the Livelihood Project - SIGA I will be qualitatively analyzed by comparing the process of working with existing theory and benchmarking to obtain the conclusions and recommendations which are compatible with the existing problems.

4. Implication and Result

In this analysis, we emphasize on thinking outside the box and find a way to get out of the perception of the moral hazard inherent in the formulation the problem. Because in principle, UMCOR who invites the recipient to start a business, as a solution to make them independent and able to empower their families.

As well as money in the accounting procedures have inherent risks that cause people to be attracted to cheating at every moment close to it, so did the habits of the people who have the burden of risk to do the moral hazard in every action that they do.

To reduce this risk is how UMCOR-NGO can be a social entrepreneurship: providing innovation, solutions and make them successful, independent, and responsible and how to lock all the possibilities for them to be in default to what they had agreed earlier that the purpose of this Livelihood project could be achieved.

SIGA I Project is an extension of previous UMCOR Livelihood project. In the project, the village of Cot Batee CDC is had been formed. The

villagers had conducted business training. UMCOR does not provide an IG package to the villagers that moment. When SIGA I project run, UMCOR continues to foster the CDC to conduct capacity building training, so that CDC can give public assistance and help beneficiaries in developing business and also give idea to develop his village from the collection of repayment from beneficiaries.

SIGA I project Implementation are composed of five quarter, from introduction of the project and business proposal socialization to the beneficiaries to the implementation. In the training data of "Start Your Business" in the year 2006, only 2 of 43 people that engaged in training.

Of the 43 respondents, only 37 respondents that can be used as research objects. Two respondents had past away, one respondent did not fill in the data, one respondent did not return the questionnaire and two respondents did not fully answer the question for entrepreneurial characteristics, so the data can not be processed further.

The analysis showed that UMCOR clearly seen the "What" and the "Who" in implementing of the IG Project. However UMCOR seems no fitting in the "How". It is inevitable that in order to change a community is not an easy task. But the author sure as sure M. Yunus when he said that the only place our progeny should be able to 'see' poverty would be in museums. There must be a way that might not UMCOR find, so hard to UMCOR to meet the target of the project.

Community have been spoiled by the abundance of assistance from NGOs after the tsunami, so they are not moved to maximize ability to establish themselves in order to compete and contribute to economic and social in their place.

Based on the data analysis conclusion, the respondent does not have sufficient entrepreneurial spirit to be able to support them to develop successful businesses, with the following circumstances exist:

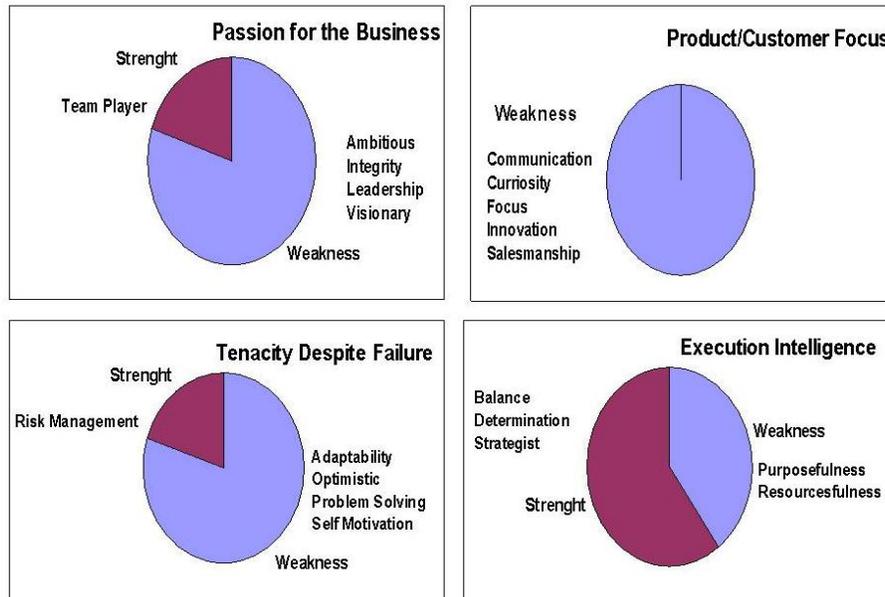


Figure 4.1. Beneficiaries's Existing Conditions

This situation should already be detected at the time of the assessment or when evaluating the beneficiaries' prospective proposal, then made a follow up to what weaknesses of beneficiaries that can be fixed so that the beneficiaries can managed to run, develop and improve their business.

Undetected weakness brought to domino effect to the next process. Training should be given to increase knowledge and business skills, just touch the two beneficiaries with training materials that are too heavy for the villagers.

People often use the terms "innovation" to the big thing or high technology, but basically innovation start from a simple thing with discipline and systematic. UMCOR should be able to motivate and stimulate innovation recipient to find out their strength in accordance with their respective capacities in doing business. Because making the business of tomorrow cannot be a flash of genius. It requires systematic analysis and hard, rigorous work today.

The IG package method was identified:

1. Higher than market price because of the tender process.
2. Not oriented to customers and products.

3. There was excessive cost for loan repayment because of unnecessary inventory.
4. On drop IG package distribution.
5. Providing IG package to some beneficiaries in narrow area make the beneficiaries compete among each other and with the existing business.

Project implementation was identified:

1. CDC is less capable of being a group that can support and provide solutions in the model installment returns to the beneficiaries.
2. CDC is also less capable to become a group that could be a figure who can provide solutions when beneficiaries faced difficulties in their business.
3. Monthly repayment installments in which burdensome, because most of the beneficiaries are daily income rather than monthly.
4. Return on repayment, focused on infrastructure development which have no direct impact to the prosperity of citizens, made the beneficiaries were not motivated to do the install payment.

This circumstance makes intensive assistance for beneficiaries and CDC Cot Batee is important in building success business that can give contribute to the economic and social to the individual as well as their village.

4.1. Recommendation

A problem often constructed from a variety of circumstances and the complex inter-related. Overcoming an effective problem is to find the root of all problems, and find out what the impact is given from the problem and the impact of other effects that also contribute later in the problem.

In this study, the root of the problem is UMCOR less able to identify the capabilities of beneficiaries in conducting business in the beginning of the project. CDC is expected to be a group that can provide solution to the beneficiaries during implementation and after SIGA I project accomplished did not provide the maximum results. CDC also could not maximize repayment from beneficiaries.

Both parties the beneficiaries and CDC are input to the SIGA I Project. These inputs should be processed by UMCOR to obtain the desired output. It is important to recognize the characteristics of these inputs, to be prepared an ideal process. The flow of input into the project output as can be seen at Figure 4.5.

Based on research exposure, here are some recommendations that will be the implications of the research results:

A. Assesment

We recommend using measured test to assess the entrepreneurial spirit of beneficiaries. This test is to know the level of willingness, ability and endurance of the beneficiaries in running the business.

Doing a tight selection for qualified members of the CDC, they should be a people who:

1. Progressive and willing to try something new.
2. Ambitious and eager to build the village and the village community.
3. Have strong spirit of leadership. Their leadership have been recognized and respected by villagers, particularly the beneficiaries.
4. Can build a team and can cooperate with another CDC members.
5. Have families who can support him as the CDC.

B. Training

According to the analysis of data, the beneficiaries sees only a business opportunity. They did not see or did not predict the existence of obstacles that require an expertise managing in business, even though they have obtained capital from UMCOR IG package. This trend can be seen from their choice not to conduct business training, when UMCOR bidding the beneficiaries to UMCOR business training.

The main thing that UMCOR should be done is to identify the weak indicator of prospective beneficiaries, whether the passion for the business, products/customer focus, tenacity despite failure or execution intelligence in doing business.

Next thing that UMCOR should do is conduct the business training. This training should focuses on entrepreneurial training and on job training practices by using simulation techniques. This type of training in addition to not get bored, the participants also can freely discover the problems that can arise in conducting their business that they find during the training.

Entrepreneurship training aims to train the beneficiaries so that the beneficiaries could develop and could become a successful entrepreneur, so that they can generate the amount and speed of prosperity, risk reduction and sharpening of innovation. To meet this aims, UMCOR should be able to choose a consultant that has proven capability in this simulation technique.

If the result of the assessment reveal there are technical issues that need to be improved, UMCOR can provide skills training in accordance with the businesses that beneficiaries choose, for example: training for pastry cooking.

However, for the CDC, the training should emphasize to the motivation and leadership training.

C. IG Package.

Standardization of IG package and tender process in providing IG package should be eliminated. Let prospective beneficiaries become people who decide what they want to sell.

Giving aid package should not be in a single drop, but a gradual or partial. Ask the prospective beneficiaries to plan the realization of this IG package. If the beneficiary can not do the repayment, he was not entitled to receive IG package in the next stage. This method is almost similar to the methods used by the Grameen Bank.

To prevent the narrowing of the market, UMCOR should give a limit to the beneficiaries who get IG package. The best prospective beneficiaries will get the IG package as when he success in doing business, then he will give effect to their communities by hiring labor to doing their business.

D. Implementation

The IG packages should in partial technique. IG packages deliver should in a group, every group consisting of 3-5 people such as the Grameen Bank group. Each group provides planning who became the first person to receive IG Package, the second and so on.

If the first person fails to do repayment, the second person can not get the IG package, unless they can repayment 50% of the granting of partial relief package from the first person. It teaches them to take responsibility for the welfare of the group and their village.

The repayment should not in monthly basis, but daily or weekly, to prevent the beneficiaries' reluctance to pay. Based on BPS data year 2008, the minimum wages in Aceh Province in 2006 was Rp. 820 000, where the minimum necessities of life in the same year for the NAD was Rp. 775 000 with an average amount of dependent are 4.5 people per household. Usually every year the minimum wages and the need will increase according to inflation rates that occurred in Indonesia. Compare with beneficiaries' income whose are still below Rp. 1.000.000 with an average amount of dependent is greater than 4 people per household. The amount of the monthly income will be very significant to their income. The advantage of daily or weekly installment is not burdened with large numbers, but the principle is the same as the number installment if they paid monthly.

As mentioned in the previous explanation, the CDC is a major key to success in this implementation after UMCOR. They should be actively collecting repayments from the members. The repayment collection can be used as bank collateral, in case in the future there are some members can restore a targeted package of IG Package needed funds for training or additional capital to the business.

To add CDC interest and motivation to collect member' repayment is not wrong if UMCOR provides an incentive for CDC such as commissions on the e-ChoupalSanchalak. The

incentive funds obtained from the collection of repayment.

E. Partnership and Assistance

A project is unique, not repeated and also have time limits. While both the recipient and CDC is still not able to be independent and still requires a figure or institution that could provide them a solution in dealing with the implementation of this project.

There are two possibilities that UMCOR can do as a project exit strategy:

1. Offered cooperation to other NGOs (in the form of continued assistance to the project and implementation further) or submit a proposal to private companies (in the form of CSR).
2. If alternative A is not possible, then UMCOR should empower the CDC and build an information center which is connected to the internet. Internet connections will be directly connected to sites that can provide added value and information to help beneficiaries develop their business, as is done in e-Choupal ICT.

With the above strategies, UMCOR is expected to be able to lock possible thing and avoid moral hazard from both beneficiaries and CDC so that the project will be sustainable and contribute to the economic and society and UMCOR-NGO can be eventually as social entrepreneur as seen in appendix.

5. Conclusion

From the analysis and discussion in the previous explanation, this study' conclusions are as follow:

1. SIGA I Project root problem was on the assessment process where UMCOR is less able to identify the ability of beneficiaries in conducting business in the beginning of the project. Unidentifying beneficiaries' ability to do business put up a domino effect to the next process. The situation is more complex when the process of training, IG package deliver and implementation could not fix this weakness, instead giving its share of problems why the beneficiaries can not develop their business and can not return the funds that they had been agreed previously.
2. Partnership and assistance from experienced parties is necessary and important for

beneficiaries, so they can acquire and increase the knowledge. They also can get guidance that can support their success in doing business, as CDC not maximal in its role of being the driving force in this UMCOR-NGO Livelihood Project.

Further Research:

This study still has limited data. For that reason, we need to conduct further research concerning:

1. Method of Indicator of successful entrepreneur development in relation to the success of MSME in the future.
2. Sustainable livelihood projects method development and Entrepreneurship in relation to MSME success in the future.

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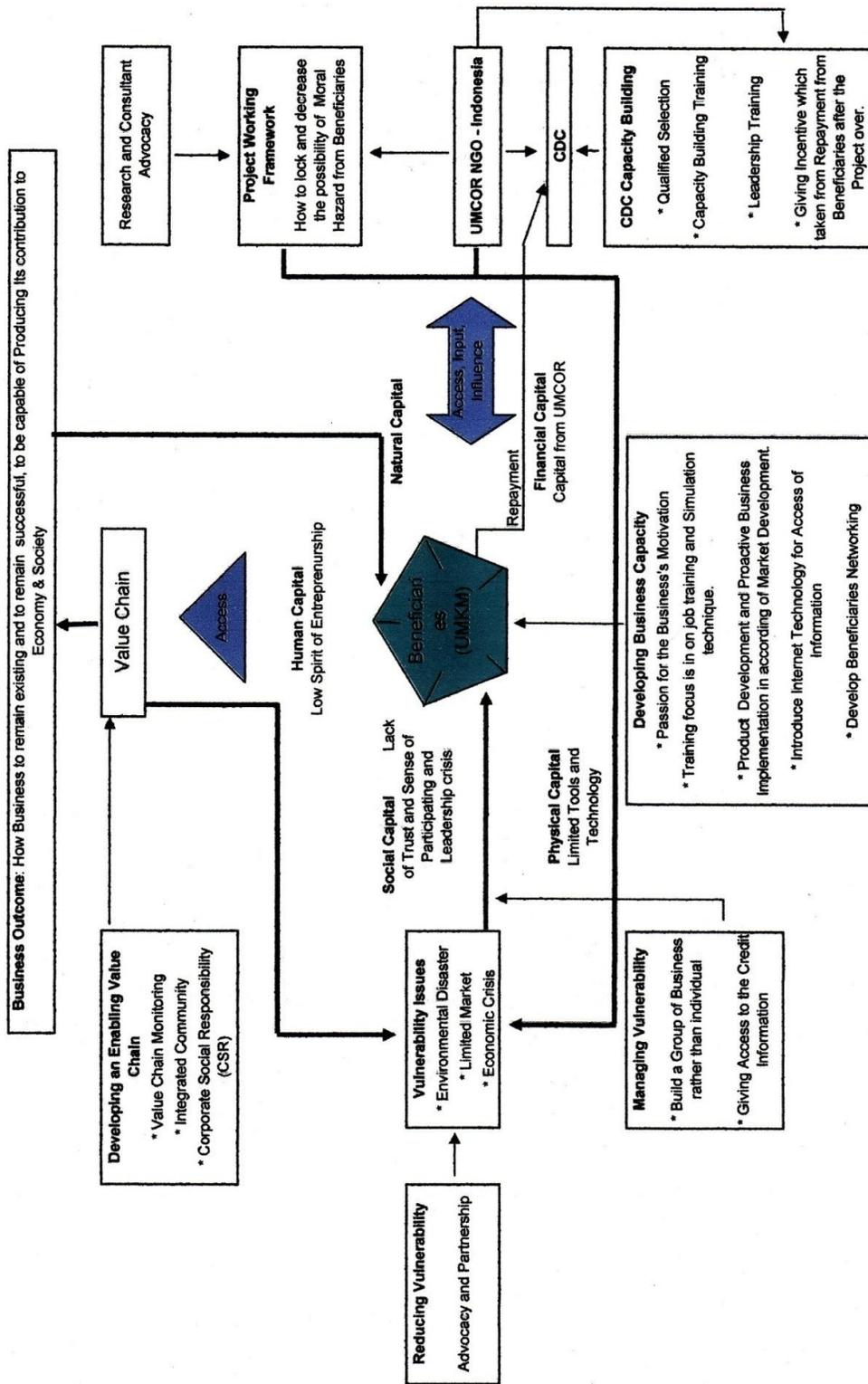
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Appendix - Sustainable Livelihood Framework