

**JOURNAL OF PROCEEDINGS  
SOCIAL SCIENCE AND POLITICAL SCIENCE  
DHARMAWANGSA UNIVERSITY**

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**ENTREPRENEURIAL CHALLENGES IN THE DIGITAL AGE**

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**Abstract**

The growth of the digital economy is increasingly skyrocketing. This situation cannot be separated from the development of advances in information and communication technology using sophisticated applications, namely using the help of internet media. The challenge for entrepreneurs is whether they like it or not, they have to follow and align with the leaps of progress in the digital field, including digital transactions. plays an important role in reducing unemployment in Indonesia, one way that can be done is by equipping students with soft skills and hard skills through entrepreneurship education so that it will give birth to a generation of entrepreneurs who are able to compete in the digital era. E-UMKM is an android-based application designed to market Indonesian MSME products online and system-integrated.

**Keywords:** *Entrepreneurship, the Digital Age*

**INTRODUCTION**

Employment problems directly or indirectly cause unemployment. This will relate to other problems such as income inequality, poverty, slowing economic growth, urbanization, and political instability (Siti Martiah, 2017: 76). All of this seems to have been intuitively understood by policy makers. Therefore, the government continues to make various efforts in order to increase employment opportunities to reduce the number of unemployed, which has implications for the slow rate of economic growth, given the increasing number of new labor force entering the labor market.

Developed countries are generally countries that have many entrepreneurs so that they can create jobs, both for themselves and create jobs for others, so as to reduce unemployment and contribute a lot of income to the state, in the form of individual business entities, partnerships of firms, limited partnerships or in the form of accelerating the decline in the unemployment rate. Given that youth unemployment is still quite high which can cause social problems if these problems do not receive maximum attention. Some of the social problems caused by high unemployment include drug abuse, crime, promiscuity, thuggery, trafficking and so on.

Entrepreneurial activity has actually existed since the 18th century, namely since the invention of a steam-powered machine tool by a man named James Watt. The main purpose of entrepreneurial activity at that time was not solely for profit, but more emphasis on the growth and expansion of an organization. There are twelve important characteristics introduced in the digital economy that entrepreneurs must understand

MSMEs play a very large role in advancing the Indonesian economy. Aside from being an alternative for new jobs, MSMEs also play a role in driving the rate of economic growth after the 1997 monetary crisis when large companies experienced difficulties in developing their businesses. At present, MSMEs have contributed greatly to regional income and to the income of the Indonesian State.

MSMEs are a form of community small business whose establishment is based on someone's initiative. Most people think that MSMEs only benefit certain parties. In fact, MSMEs play a very important role in reducing the unemployment rate in Indonesia. MSMEs can absorb a large number of Indonesian workers who are still unemployed. In addition, MSMEs have contributed greatly to regional income and to Indonesia's state revenue.

In today's sophisticated era, many businesses are growing because of the availability of supporting technology. The use of technology that is currently a trend, one of which is social media marketing. The internet has become one of the important things in business, especially in marketing or marketing. Social media marketing is very important for business development, especially in today's digital era, because apart from being easy to use, the costs required by businesses to run a business through social media are also cheap.

## **RESEARCH METHODOLOGY**

The method used in literature studies is library research which is a series of studies relating to library data collection methods, or research whose research objects are explored through various library information (books, encyclopedias, documents, and scientific journals). Literature research or literature review is research that critically reviews knowledge, ideas, or findings in academic-oriented literature and formulates theoretical and methodological contributions to certain topics.

## **RESULTS AND DISCUSSION**

The emergence of digital technology and the internet marked the start of the industrial revolution 3.0 with the presence of the internet where space and time were increasingly compressed and culminated in the 3.0 stage of revolution, namely the digital revolution. This industry changes the pattern of cooperation and communication in contemporary society. So that business practices like it or not must also change so as not to be out of date. Then in the 4.0

generation industrial revolution, humans have found a new pattern when disruptive technology comes so fast. In addition, large companies do not guarantee success.

The digital economy was first introduced by Tapscott (Tapscott, 1997). According to him, the digital economy is a social phenomenon that affects the economic system, where this phenomenon has the characteristics of an intelligence space, including information, various access to information instruments, information capacity, and information processing. The components of the digital economy that were identified for the first time were the ICT industry, e-commerce activities, digital distribution of goods and services. Meanwhile, according to Zimmerman (2000) the concept of the digital economy is a concept that is often used to explain the global impact of the rapid development of information and communication technology which has an impact on socio-economic conditions. 8 One of the signs of the digital economy is the existence of global trade transactions and the absence of intermediaries. This is expected to provide freedom from market participation in the absence of outside interference (barriers).

In the development of the digital economy in Indonesia, there are several sectors that are considered to have the potential to advance the economy including: first, the financial sector. The financial sector is one of the most flexible sectors experiencing development along with advances in Information and Communication Technology (ICT). In providing services to its customers, the banking industry is one of the industries that prioritizes the use of technology, information and communication. As well as sms banking services, mobile banking (m-banking), and internet banking (i-banking), which in recent years have become one of the service products provided by banks. The majority of people have started flocking to use digital-based services because they have experienced the many benefits and conveniences they get.

Second, the cultural, tourism and creative economy sectors. We can see simply, that the tourism sector and the creative economy sector have a close relationship with culture. We can see this combination during cultural attractions in a tourist spot where tourists, both local and foreign, can share local culture. Indirectly, they certainly introduce local works that are souvenirs as creative economy drivers that are worth selling to buy. From here, various creative economic ideas will emerge as a result of tourist attractions, such as the process of making batik manually which can attract tourists.

Later it can have an impact on increasing batik sales which can be managed through digital e-commerce platforms. Some of these sectors are predicted to be able to increase economic growth if supported by superior human resources and qualified digital technology.

Third, the agricultural sector. The emergence of various advanced technologies in several sectors has resulted in the growth of technology in the agricultural sector. So that this makes

farmers start to change their farming patterns which were originally conventional farming little by little using digital farming patterns to adapt to current developments. These problems have made a number of entrepreneurs in Indonesia try to develop a modern and simpler agricultural industry. Where in the current era of agriculture 4.0, entrepreneurs are trying to make it possible for actors in the agricultural sector to interact easily without boundaries even though they are separated by distance. Agricultural actors can interact digitally with every production activity such as consumers, distributors, suppliers and retail. Every economic activity can be recorded by the control system so that it is able to trace, measure, and make predictions about the future. This can facilitate the process of farmer activities from upstream to downstream if technological advances can be maximally adopted, but in reality there are still many obstacles in the use of technology among farmers, such as geographical differences between regions, the minimum level of knowledge and background is one of the several factors inhibiting the use of technology.

On the other hand, it turns out that the effects of digitalization on the Indonesian economy not only bring benefits to the people, but can bring harm. Some of the benefits that we can get from digitalization for the development of the Indonesian economy include: (a) a wide market share, the digital economy makes it easy for businesses to get consumers and suppliers. The emergence of e-commerce makes the market network wider and not limited by space and time so that there is no need to carry out conventional buying and selling. Even in 2019 e-commerce revenue in Indonesia has reached 6 billion USD and it is estimated that growth can penetrate 18 percent per year and can contribute to GDP of up to 35 billion USD. 12 (b) transactions are easier, in this case the financial sector is one of the industries that is experiencing technological developments to adapt to the needs of society in the digitalization era, such as m-banking and i-banking services which are already widely used by the public. Banking seeks to serve the needs of the community without having to go through traditional financial services (face to face) and with strict rules. Community needs demand services that can be accessed online with easier rules or requirements

Existing problems There are still many people who are unemployed and work odd jobs and there is still a lack of people who see the potential around these locations. Existing product development and marketing is not going well. Marketing that is still conventional, namely mouth to mouth and trusted to local stalls or markets.

1. Influencer : The business owner very actively utilizes the role of the media as a means of promotion. Influencer services are used to advertise products on Instagram. Influencers are a form of digital marketing using influencers to marketing strategies. Research on literature studies conducted on the influence of influencer marketing as

a modern era digital marketing strategy concludes that influencer marketing is a marketing strategy by utilizing social media platforms.

2. Use of Online Motorclye As a home-based business engaged in the food sector greatly helped by the online motorcycle taxi application.

## **CONCLUSION**

So for an entrepreneur we need as a business tool, there are influencers, online motorbike taxi users, and channels such as Facebook, Instagram and WhatsApp.

As for suggestions for Advice that can be given for small business challenges in the digital era:

1. Can be forwarded to small business people who still use manual methods in the digital era.
2. As a contribution to existing small businesses in utilizing the digital era in their business prospects.

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