Best practices of start up in Indonesia

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Abstract. Industry 4.0 which encourages the whole world to develop its industry based on digital technology, the internet with conventional industry is an opportunity that must be taken by Indonesia. The implementation of industry 4.0 in Indonesia today is the emergence of digital start-ups which have become Unicorns with valuations above USD 1 billion or equivalent to IDR 13.5 trillion. Currently the Indonesian government has encouraged the development of digital start-up which aims to boost the economy and create jobs. But what’s currently happening is even the biggest investment in unicorns that have succeeded in coming from foreigners. In addition, 93 percent of products sold online are imported. The city of Surabaya, which hosts the Startup Nations Summit (SNS), is a case study location that is most suitable for further developing the potential of the creative industry. Therefore the problem raised is how the development of a digital start-up in order to become a creative economic booster by examining UNICORN’s Best Practice that has been successful in Indonesia. This research was conducted using qualitative descriptive analysis techniques and content analysis in order to identify potentials strategies for developing digital start-ups to become creative economic boosters. Based on the results of content analysis conducted on five unicorn startups in Indonesia, three factors of development that need to be considered are human resources (innovating to solve problems, high commitment to become better, good management and quality human resources), good marketing factors, and capital that is easily accessible.

1. Introduction
Indonesia currently needs to improve the competitiveness of local products in order to compete in the global market for the improvement of people's welfare. One of them is the need to increase efforts to develop creative industries. This happens because now the world has entered the creative era. Hadi (2015) argues that economic growth will move quickly if driven by creativity and innovation (Hadi, 2015). The contribution of creative industries is compelling for the economy. In 2013 the creative economy contributed 7.05 percent of Indonesia's GDP or around 641,815.4 billion rupiah of the total GDP which reached 9,109,129.4 billion rupiah (Mahmud, 2015). The creative industries currently being developed by the Indonesian government is used to answer the industrial revolution 4.0. German Chancellor Angela Merkel (2014) believes that Industry 4.0 is a comprehensive transformation of all aspects of production in the industry through the combination of digital technology and internet with conventional industries.

Creative economy companies that also utilize digital technology in accordance with the industrial revolution 4.0 are creative economics in the form of e-commerce software or commonly called start-
ups. According to Merriam Webster's dictionary, start-up is defined as "fledgling business enterprise" which means novice business company. Technology-based start-up is a business that is in its development period and is synonymous with businesses related to web, internet and related technologies.

Indonesia is now the center of the digital economy in Southeast Asia. In fact, the number of startups in Indonesia is the fourth largest in the world and currently has 4 unicorns out of a total of seven Unicorns in ASEAN, namely Go-Jek, BukaLapak, Tokopedia and Traveloka (Tribunnews.com, 2019). Unicorn is a startup that has a valuation of over USD 1 billion or equivalent to Rp 13.5 trillion. With this great valuation, unicorns in Indonesia have been able to attract quite large jobs. Nowadays, there are an estimated two million drivers who work for startups in the transportation services sector, while in the e-commerce field it can reach around six million people (Tribunnews.com, 2019). More than that, these businesses have helped the economy in Indonesia. According to the Kompas TV show titled "Bisnis Startup di Indonesia Semakin Bergairah" which means "Startup Business in Indonesia Increasingly Enthusiastic" (Kompas TV, 2016), it was said that digital start-up investment entering Indonesia had reached 2.09 trillion rupiah.

Based on previous interesting facts, this research will identify the potential of developing startups from best practices that have developed in Indonesia. Through this research, the development of startups in Indonesia will become more targeted and this research is also as a creative economic booster by examining UNICORN's Best Practice that has been successful in Indonesia

2. Methods
This research is a qualitative research which means from the determination of sampling, data recording until the process of analysis of this research using qualitative approach. Qualitative research is a study whose findings are not obtained through statistical procedures or other forms of calculation [4]. The data in this study were collected using one of the non-probabilistic sampling method known as purposive sampling. Purposive sampling is a technique to determine a sample with a certain balance (Sugiyono, 2012). The requirements that must be met in determining the sample are (Arikunto, 2010):

1) Sampling must be based on certain characteristics which are the characteristics of the population.
2) Subjects taken as samples are subjects that contain the most characteristic found in the population.
3) The determination of population characteristics is carried out carefully in preliminary studies.

Based on the explanation above, the determination of the sample taken is 4 startups in Indonesia which have achieved unicorn status. This is because unicorn startups are considered to have succeeded in developing their business and can be the best practice for other startups. Unicorn startups are startups that have valuations above USD 1 billion or equivalent to IDR 13.5 trillion. Unicorn startups that will be sampled are Go-Jek, BukaLapak, Tokopedia and Traveloka.

The analysis technique used in this study is content analysis. Content analysis is used to obtain information from communications delivered in the form of documented or documentable symbols. Content analysis can be used to analyze all forms of communication, such as newspapers, books, films, etc. By using the content analysis method, conclusions will be obtained from various contents of communication messages delivered by the mass media or from other sources objectively, systematically, and relevantly (Suprayogo, 2001). In the content analysis, coding will be done on the factors that are considered important for the success of the unicorn. The first step taken is to transcribe all the words of the startup founders sourced from videos on YouTube. After that, coding is done on words that are considered important spoken from unicorn founders in Indonesia.
### 3. Result and Discussions

#### 3.1. General Overview of Unicorn Startup in Indonesia

Unicorn is a term used for startup companies with valuation of up to USD 1 billion. Indonesia currently has four startups with the title “unicorn” out of a total of 391 unicorns around the world. The four startups include Go-Jek, Tokopedia, Traveloka, and Bukalapak. The following is an overview of unicorns in Indonesia and their development factors.

1) **Go-Jek**: Starting from transportation services, now Gojek apps has more than 20 services that are solving everyday challenges. Due to that too, Gojek became one of the largest technological platforms that serves millions of users in Southeast Asia by developing three supper-apps: for customers, for driver partners, and also merchant partners.

2) **Tokopedia**: E-Commerce founded by William Tanuwijaya was presented one year before Gojek, precisely in 2009. Tokopedia succeeded in becoming the second unicorn in Indonesia on August 17th, 2017 after obtaining funding from Alibaba.

3) **Traveloka**: Traveloka or the online ticket ordering platform was founded by Ferry Unardi and two of his partners. Traveloka was founded in 2012 and solidified its position as a unicorn in 2017. Traveloka became a unicorn after obtaining funding from a similar foreign-owned company, Expedia.

4) **Bukalapak**: Bukalapak is one of the leading online marketplaces in Indonesia that provides a means of buying and selling from consumers to consumers. Anyone can open an online store in Bukalapak and serves shoppers from all over Indonesia for single or multiple transactions. This e-commerce platform was founded in 2010, pioneered by Achmad Zaky. Bukalapak is currently the fourth unicorn startup in Indonesia.

#### 3.2. Development Potential of Unicorn Best Practices

To identify the development potential of best practices, content analysis technique is carried out from various data sources. The following is the result of the coding process from the content analysis that has been done.

**Table 1. Development Potential Coding Based on Unicorn Best Practices**

| No | Aspect                | Development Factor                      | Coding Statement                                                                 | Coding | Conclusion                                                                 |
|----|-----------------------|-----------------------------------------|----------------------------------------------------------------------------------|--------|---------------------------------------------------------------------------|
| 1  | Human Resources       | Innovation to Solve Problems             | • “Our spirit is to be going forward first, don’t think about it just try it first. Can we improve it, can it be cheaper or faster, can it be faster and better” | G2b    | The ability to think based on the problems that occur, so that the most appropriate solution could be found to solve existing problems, both problems that are contextual or that extend the length of time to achieve the vision and mission that has been provided by |
| No | Aspect | Development Factor | Coding Statement | Coding | Conclusion |
|----|--------|-------------------|----------------|--------|------------|
|  |  |  | “Think based on the problem, is the problem faced by many people or not, can we do something fast to overcome the problem” | G2c |  |
|  |  |  | “He was inspired to establish Gojek Indonesia from his experience that he must break through traffic jams every day in Jakarta by using ojek transportation” | G4a |  |
|  |  |  | “The success concept adopted by Traveloka is to focus on offering the best and innovate products and services to all consumers through large strategic promotions” | V4b |  |
|  |  |  | “Create an impact on the surrounding community” | B1f |  |
|  |  |  | “Dare to fail, dare to learn, even when you fail, you have to rise again to make new things. It’s an innovation and it’s really important” | B1e |  |
|  | High Commitment to Progress |  | “The key to change is actually simple, just be brave. If we always worry about what we can, what can be lost, it’s 100% guaranteed to fail” | G2a | HR must have an awareness from their own heart and mind to carry out the work seriously so that later they will be able to produce an optimal work from the ideas that they’ve been working on. |
|  |  |  | “According to him, there is one thing that’s no less important to remember, all who managed to dominate the world are people who are focus” | B2e |  |
|  | Good Management |  | “Team work” | B1c | The management must be able to manage the human resources be it time, energy, |
| No | Aspect                          | Development Factor | Coding Statement                                                                                                                                                                                                 | Coding | Conclusion                                                                                                                                                                                                 |
|----|--------------------------------|--------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|    | Quality Human Resources        |                    | • “Speak up means willing to convey even though it is bitter, so we must be willing to talk, willing to be open because open organizations always create comfort and good for the company as well”                     | B1d    | supporting items at work and others so that later they can produce optimal work.                                                                                                                                                                        |
|    |                                |                    | • “It is apparently not easy to start a startup company. There are so many challenges that must be faced starting from management, funding, establishing partnerships and so forth”                                     | V1b    | The human resources need to have good abilities and in accordance with their respective fields so that later they will be able to produce ideas and also fresh works for supporting the progress of the company. |
| 2  | Good Marketing Technique       |                    | • “A businessman must know when to enter the business”                                                                                                                                                | V2a    |                                                                                                                                                                                                          |
|    |                                |                    | • “Work hard and be earnest”                                                                                                                                                                               | B1b    |                                                                                                                                                                                                          |
|    |                                |                    | • “Passion is another key factor in developing a startup so that it holds the unicorn status”                                                                                                               | B2a    |                                                                                                                                                                                                          |
|    |                                |                    | • Unicorn held an exhibition titled idea Market at Jakarta Convention Center (JCC) (15-18 August)                                                                                                          | G3a,   | One of the promotional strategies that are often used by entrepreneurs to introduce their products is to follow events or exhibitions. The exhibition is an event for entrepreneurs to be able to introduce |
|    |                                |                    |                                                                                                                                                                                                                             | T2a    |                                                                                                                                                                                                          |
3 Accessible Capital
Unguaranteed Capital Medium

Low Interest Loans

Capital Assistance

| No | Aspect      | Development Factor | Coding Statement                                                                 | Coding | Conclusion                                                                 |
|----|-------------|--------------------|----------------------------------------------------------------------------------|--------|---------------------------------------------------------------------------|
|    |             |                    | “It must be understood that debt is not always bad. Productive debt which is used  |        | products and also as an event to increase sales by attracting consumers    |
|    |             |                    | to get more income is actually recommended, especially in the business world.    | B3a    | according to their market segments. Capital is vitally needed for the     |
|    |             |                    | Because, by borrowing to increase business capital the income potential will also|        | development of startups. So, easy access to the capital is needed.         |
|    |             |                    | be greater, the business can develop more quickly”                                |        |                                                                           |
|    |             |                    | “Gojek Indonesia is officially established, while only with 20 drivers and used  | G5a    |                                                                           |
|    |             |                    | the call center for its ordering system. Four years later, helped by skyrocketing |        |                                                                           |
|    |             |                    | Uber, Nadiem Makarim began to get investment offers”                               |        |                                                                           |

Information: Gojek (G), Tokopedia (T), Traveloka (V), dan Bukalapak (B)
All this code based on the interview of aech start-up founder in YouTube web site

4. Conclusions
Based on the results from the coding process of the content analysis that has been done, it can be seen that there are several factors in the development of a startup based on the perspective of the best practices unicorn in Indonesia. Development factors that determine the progress of a startup include human resources that must be focused on problem solving innovations, high commitment to progress, good management and quality human resources. In addition, good marketing factors and capital that are easily accessible are also important factors in startup development.

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