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DailySocial^{fo} DSResearchⁱⁱⁱ

SME Empowerment

© July 2020





Mandiri Capital Indonesia (MCI)

About Us

MCI is the Corporate Venture Capital arm of Bank Mandiri Group. We are committed to establish partnerships between local or ASEAN-based fintech startups and Bank Mandiri Group to drive open innovation.

Our Role

Act as a bridge of innovation between Mandiri Group and fintech startups to drive synergy propositions and initiatives

Source

Scout and identify potential technology partners with disruptive solutions and aligned to innovative trend paths

Synergize

Build strategic partnerships or collaboration between existing portfolio or new fintech startups partners and Bank Mandiri Group to accelerate innovation

Invest

Invest in promising tech companies with strong synergy value and aligned with interests of Bank Mandiri Group

Our Portfolio as per April 2020



Our Key Initiatives

VENTURE FUND

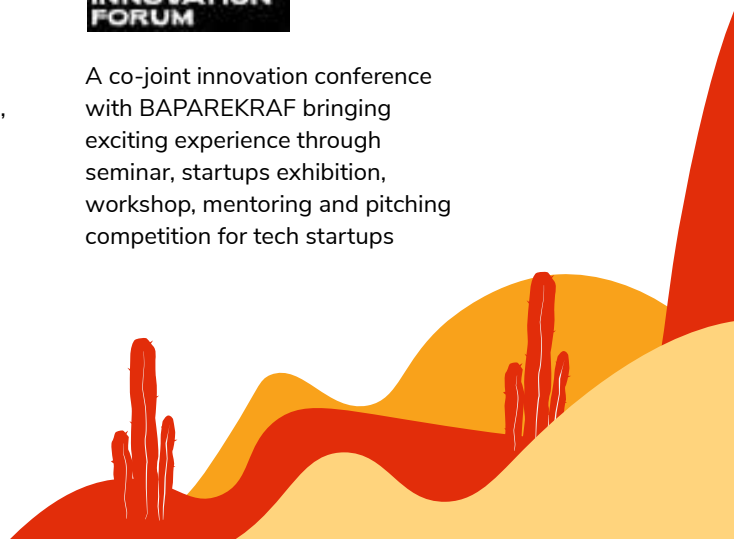
An initiative of building independently-run funds to expand MCI's investment spectrum by capturing investment opportunities across multiple investment stages and verticals

mandiri DIGITAL INCUBATOR

An incubator run by MCI providing seminar, workshop, and investor-matching for seed stage startups



A co-joint innovation conference with BAPAREKRAF bringing exciting experience through seminar, startups exhibition, workshop, mentoring and pitching competition for tech startups





"You can't solve a problem on the same level that it was created. You have to rise above it to the next level."

— **Albert Einstein**

Is your tech-driven startup have these criteria?



Synergy Element

Be ready to create wider opportunity with the excellence of your team and us, through value-creating collaboration



Innovative and Disruptive

Exploring the why deeper and bring meaningful change to people, because radical change are your lifeblood in defining the future.



Market-Centric

You know them. You always listen and build things for their needs. Your validated take-aways and experimentation are your engine for continuous customer-oriented innovation.

Are you ready to go **beyond?**



We are open to collaborate with you!

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Forewords

SME Empowerment is the second edition of a white paper series that is prepared by DSResearch and fully supported by Mandiri Capital Indonesia. DSResearch conducted in-depth discussion with SME players as a part of the methodology.

Mandiri Capital Indonesia is a Corporate Venture Capital (CVC), fully owned by Mandiri Group, to explore potential sustainable innovation.

In this report, our aim is to provide knowledge and understanding to readers regarding the importance and impacts on collaboration between startups and corporates that focuses on SMEs.



SMEs Global Landscape Overview

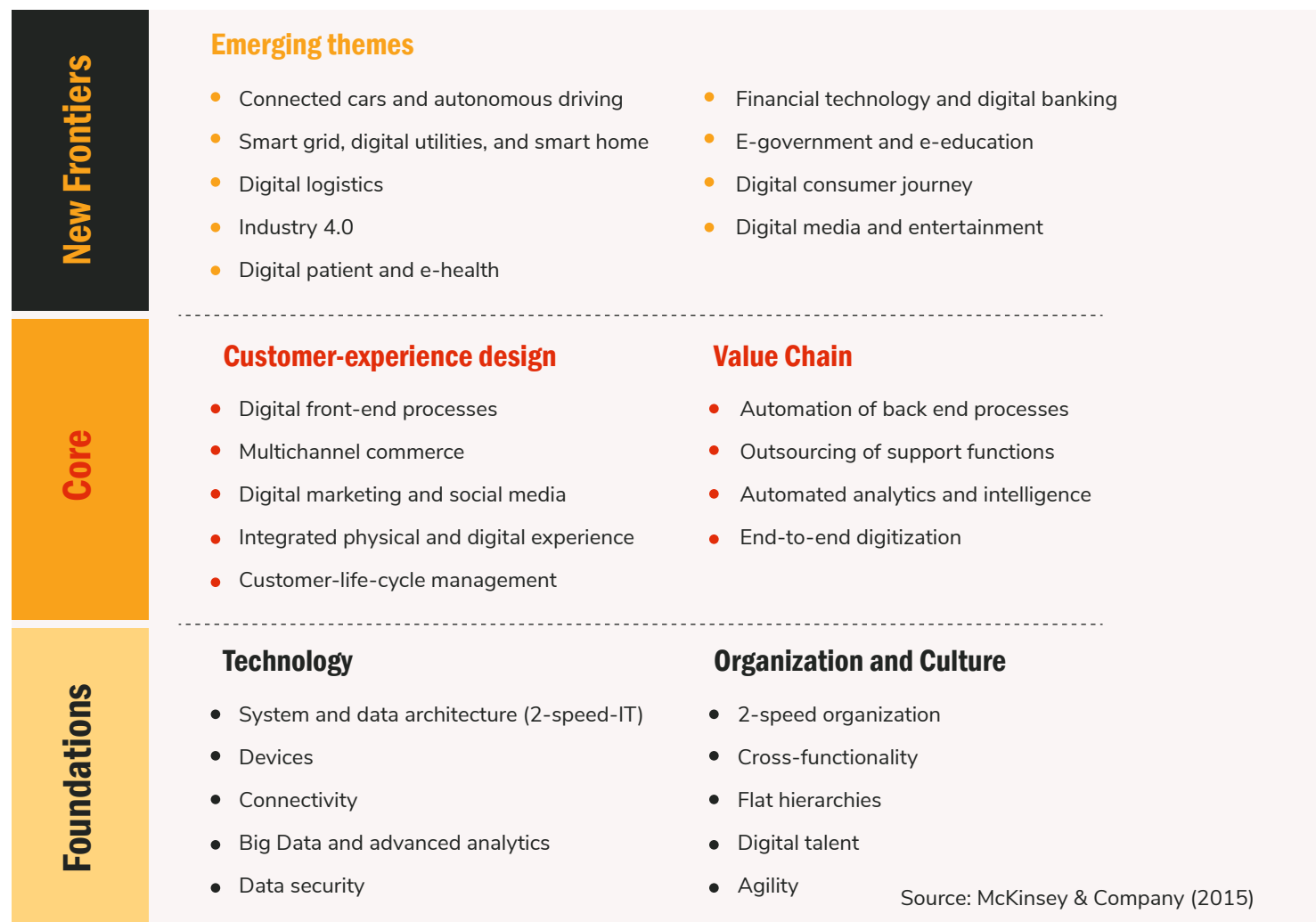
Small and Medium Enterprises (SMEs) are highly engaged in globalization. They are subject to the same trends and economic forces that affect larger companies, and they are mounting a vigorous response to them. Main focus of SME companies is on leveraging digital technologies to operate more efficiently, and effectively scale their products and services, to reach new markets and customers. Digital transformation will be a key part of the company strategy for the majority of SMEs globally.

1. SMEs Trends in 2019

SMEs Look to Digitalization for Efficiency and Growth

SMEs see technology as a key enabler to capture growth opportunities in new markets. By replacing manual data collection and subjective judgments, digital technology can help SMEs save money, improve security, develop new services, and even create new business models. As a result, International Data Corporation (IDC) predicts worldwide spending on digital transformation technologies will expand at a compound annual growth rate (CAGR) of 18% through 2021 to more than \$2.1 trillion.

Figure 1. Digital affects core business, opens new frontiers, and requires foundational change



According to McKinsey & Company's report, SME can be difficult to know where to begin because digital is ubiquitous and influences many aspects of customer behaviour and business operation. McKinsey & Company suggests SME owners to review the new frontier where the big chances are happening, business' core elements are influenced by change, and the foundations needed to support the change.

SMEs Invest to Improve Customer Experience

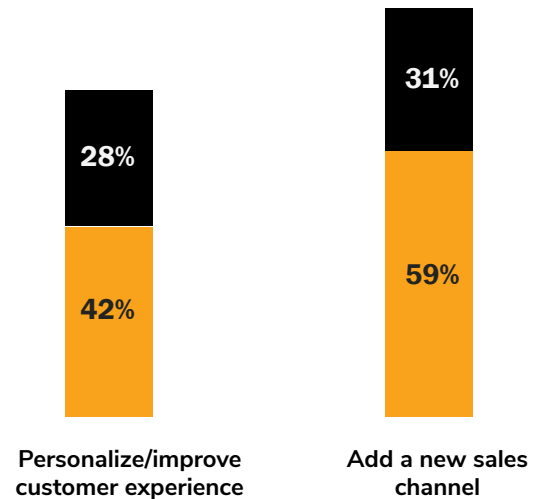
SMEs see revenue growth and attracting new customers as their business goals. Moreover, as customer experience overtakes product and price as the key differentiator, SMEs' ability to understand customers better and interact with them on their channel of choice will be essential.

Gartner estimates a total addressable market of \$27 billion in 2019 for customer experience software solutions in the SME space. This represents a growth of 15% over 2018, a slightly higher growth rate than the total customer experience market.

"By 2019, more than 50% of mid-sized enterprises will implement significant business model changes in their efforts to improve customer experience."

— Gartner, November 2018

Figure 2. SME current and planned investment goals



Source: SMB Group Report (2018)

SMEs Turn to Mobile Workspaces to Improve Employee Productivity

SMEs are looking for solutions to get work done anytime, anywhere, and on any device. Mobile solutions and services are now mission-critical for most SMEs, as employees do more work on mobile devices and less on PCs and laptops. Looking ahead, SMEs will also take advantage of virtual and augmented reality technologies to aid in training, field service, product design, and other functions. SMEs seek to integrate front and back-office applications and devices, and struggle to find skilled mobile development platforms.

2. Technology Implementation in SME

Technology Adoption in SME

SMEs clearly recognize the important role technology plays in their success on the global stage. Nearly one-third (32%) identify increasing competition from firms with superior technology capabilities as a key challenge, and a similar number pointed to the difficulty of determining the right mix of technology investments.

For SMEs, the key outcomes are improving revenue growth, increasing employee productivity, and acquiring more customers. All of these can be addressed by technology, but businesses must first identify which business areas will benefit most from the technological upgrades, then research available digital solution.

Examples of tech startup partnership with SME (Case Study)

Financial

	Lending to SMEs in the United Kingdom, the United States, and Japan
	Short-term business financing
	Business bank accounts and personal financial management for freelancers
	One-stop account helps SMEs manage and view their finances
	Global provider offering end-to-end frictionless payments
	Innovative e-commerce payments solutions for businesses and merchants
	Peer-to-Peer (P2P) lending platform with alternative financing

McKinsey & Company Report (2019)

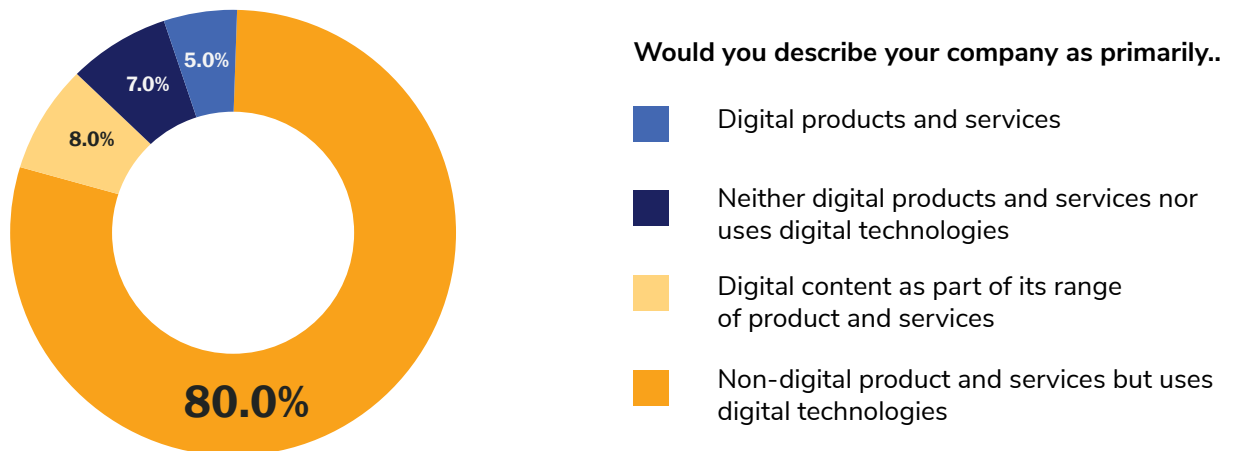
Business operational

	A payroll and Human Resource (HR) software that offers free price
	A complete Business-to-Business (B2B) payments solution that helps SMEs gain full control and visibility over their cash on one platform
	A blockchain-enabled infrastructure provider focused on supply chain management
	A logistic tech aggregation platform which automates logistic solutions for small business in the e-commerce sector

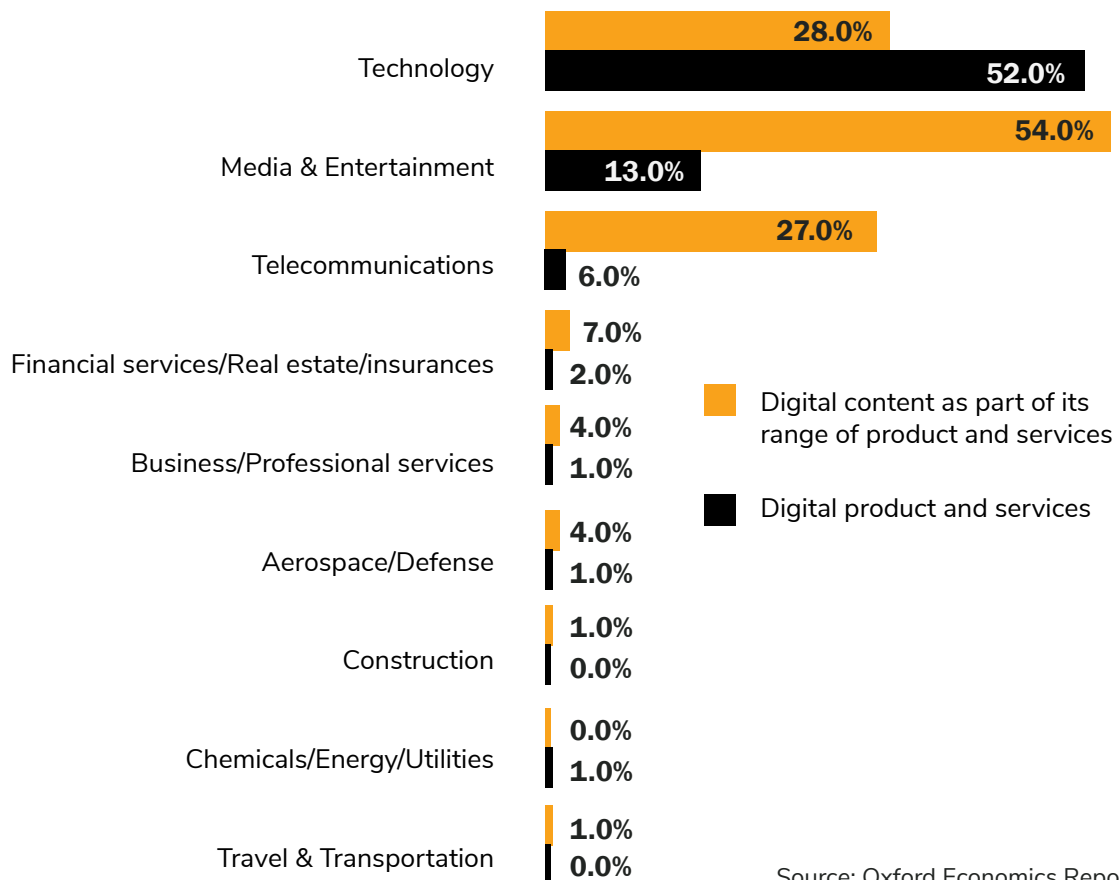
Expansion

	A platform for any merchant who wants to take their business online
	A complete and robust e-commerce platform designed to help online store owners thrive in a competitive market
	A leading online distributor and turnkey ecommerce solutions provider who operates an end-to-end business model including commercial strategy, inventory procurement, fulfillment, importation, merchandising, customer service, digital marketing, and social commerce solutions

Figure 3. How SMEs describe themselves as digital



Industry analysis of companies delivering digital products/services



Source: Oxford Economics Report (2019)

Oxford Economics surveyed senior executives at 3,000 SMEs, ranging in size from 10 to 250 employees across 12 countries and 16 industries in October and November 2018. In this survey, around 13% (combined of SMEs) could be considered digital companies—i.e., those who provide some of their products and services in digital form. These digital SMEs are from technology, media and entertainment, and telecoms sectors. Some 80% of SMEs mainly use digital technologies to connect with customers and take care of internal functions. Meanwhile only 7% of SMEs that do not consider themselves users of technology at all are from construction, retail, and food and drink sectors.

3. Technology Innovation for SME

a. Enablement of Chatbot

Adopting chatbots could seem a daunting task for SMEs owners, however they have become a critical part of the workflow. With the limited resources, the smart way to get tasks done is automation. 43% of SMEs say improving customer experience is their top strategy for boosting revenue growth. Therefore, small business owners have started leveraging chatbots for attending customer queries instantly. As per the trends, more small and medium companies are going to incorporate chatbots. Chatbot builders, such as MobileMonkey, create bots for businesses, offering more leads and increasing engagement.

b. Machine Learning and Artificial Intelligence (AI) to Speed Up Repetitive Tasks

According to a Google-KPMG report, digitally-engaged SMEs grow twice in comparison to their offline counterparts. The digital space has enabled small businesses to unlock new markets. However, there's a staggering 68% of SMEs that still offline.

AI can greatly improve your sales process, with the help of better digital marketing strategies, data analytics, and sales forecasts. Applying machine learning algorithms to existing customer data can help business owners identify patterns and trends that otherwise will be missed.

SMEs have also been looking at shifting their business processes online in order to save time and money. Logistics tech startup like Loadshare for example, is looking at creating a tech platform that makes way for smoother and faster business operations while also providing for possibilities of expanding their network and branding advice.

c. Cashless Payment Systems

Mobile wallets, in-app, and P2P payment options are the driving forces for a cashless society. The payment platforms are also constantly upgraded to make payments more secure, as well as provide additional functionalities that can improve business processes. This will help improve the SME's credibility and increase customer satisfaction.

Paystand

PayStand is part of a new generation of payment system for small businesses. It promises users no transaction fees. Allowing the users to accept all forms of payment from credit cards, e-cashes, e-cards, foreign money and Bitcoins.

Take-a-Payment

This payment solution from Web.com allows small business owners to easily bill them and accept payment from their customers through their website.

Merchant Warehouse

Merchant Warehouse offers small business owners multiple ways to accept payments from customers. This includes an online payment processing system that can be linked to your website.

payline

Payline Data is a credit card and debit card company that offers low rates for small businesses, helping them grow on a budget.

flint

Flint is a unique payment solution for small business owners. Rather than a card reader that plugs into your smartphone or tablet, this mobile app allows you to scan a customer's credit card number. With a few more steps that require your input, the transactions is complete.

d. Customer Relationship Management (CRM) in Business Process

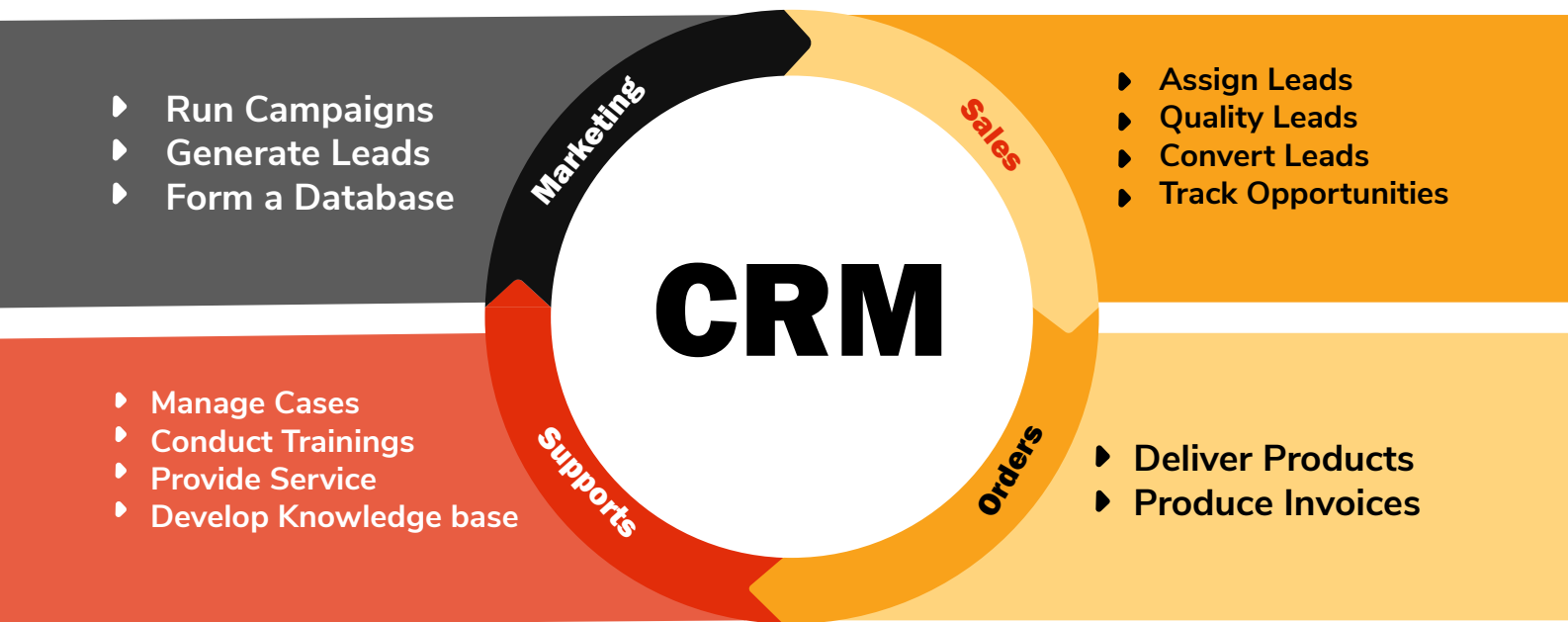
The biggest challenge for SME is the growth of the business process. And by growth, it means more exposure, more customers and employees and definitely more revenue. And while being in the process of this growth the workflows and organizational processes need to be streamlined within the business process. That's when CRM software becomes of great value.

CRM software helps SME owners to track and visualize sales performance metrics through customer relationship profiles. These profiles help distinguish prospects at every

stage of the funnel while building a pipeline. Tracking outreach and booking progress also help SME better manage its revenue.

Digital marketers and sales teams are all about some customer segmentation these days. This is not only useful for personalisation efforts, but also breaking down prospects into different groups such as how big the deal is, where they're located, and more.

Figure 4. The benefits of using a CRM system for service industry of modern time

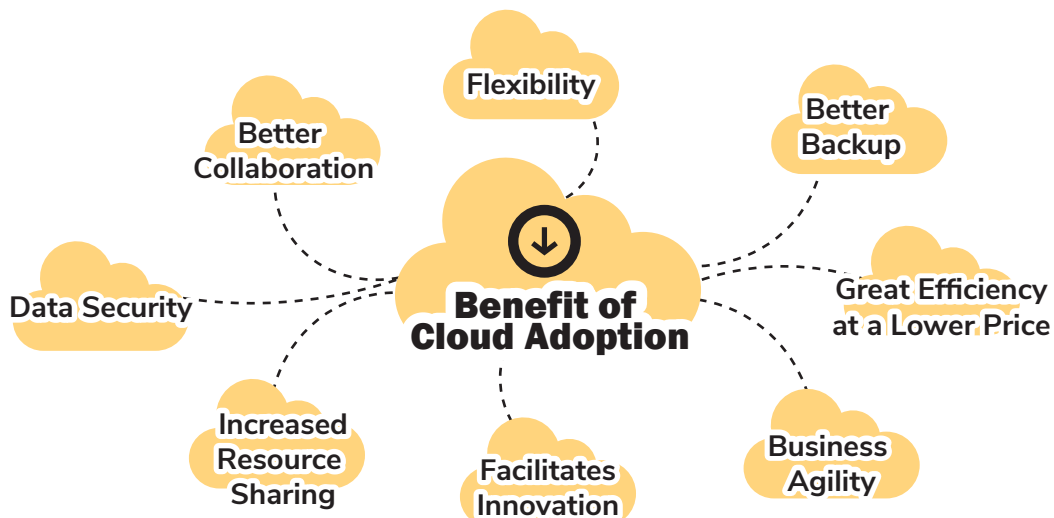


Source: Hashmicro (2016)

e. Movement to Cloud

SMEs adopting the cloud are seeing clear benefits. The main reason is cloud technology is advanced, affordable, and easy to use at the same time. Major challenges faced by SMEs are password management, CRM, and managing mailing lists. By moving to cloud, small businesses can improve their operations and productivity immensely. This will, thereby, increase their profitability setting them ahead of the competition.

Figure 5. The benefits of cloud adoption for enterprise



Source: Invensis (2015)

Technology Innovation Case Study

Below are some innovation case study with financial institutions

Figure 6. Banks and fintech players are addressing both core and non-core SME needs

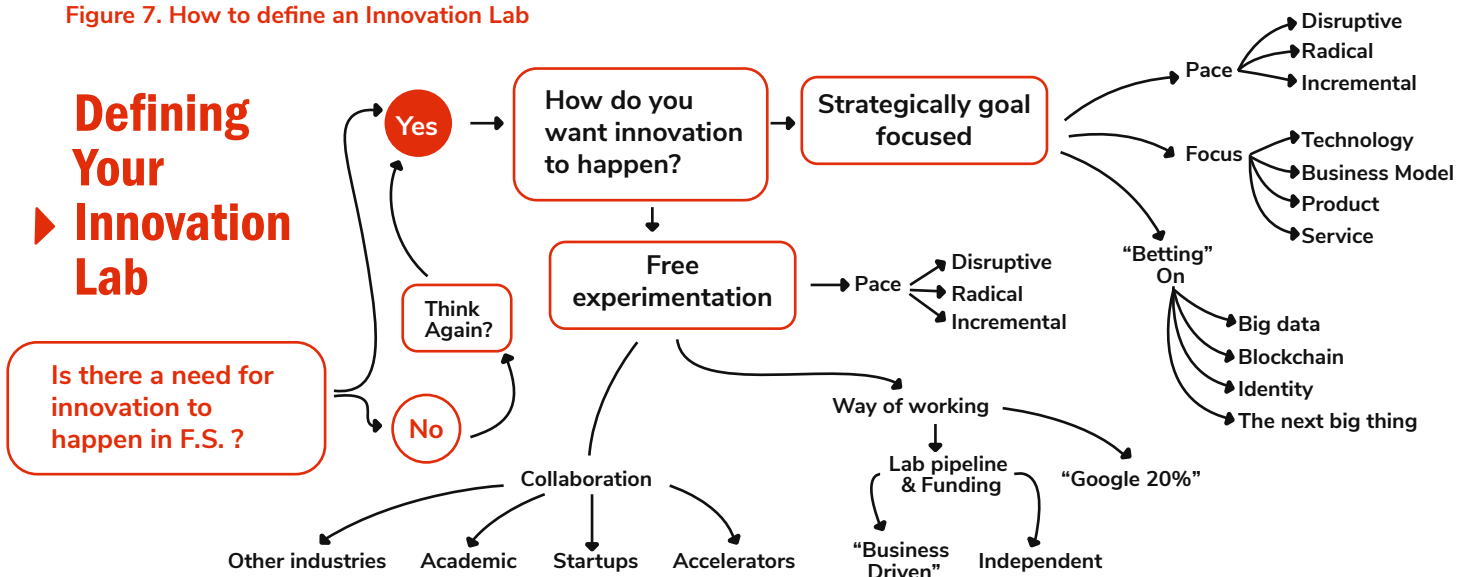
Relationship building and due diligence	<ul style="list-style-type: none"> ▶ Automatic importing and categorization of transactions ▶ Automatic and prompt invoice issuance 	Billingo, Wells Fargo/Intuit, QuickBooks
Managing expenses	<ul style="list-style-type: none"> ▶ Scheduling supplier payments ▶ Digitizing expenses with Optical Character Recognition (OCR) image processing 	Bill.com, UBS/Bexico, FreeAgent, Standard Chartered
Collection management	<ul style="list-style-type: none"> ▶ Reminders and repayment solutions for debtors 	Cashflower, Bodetree, RBS, Chase, PNC-CFO, RBS, Vistr
Payroll services	<ul style="list-style-type: none"> ▶ Live overview of the financial health of the company ▶ Generation customized reports ▶ Easier decision making on different projects based on forecasted cash flows 	ADP, Bank of America/Intuit, Gusto
Tax administration services	<ul style="list-style-type: none"> ▶ On-demand tax consultation ▶ Sales tax automation 	Avalara, Davo
Complex administrative services offers	<ul style="list-style-type: none"> ▶ One-stop-shop beyond banking services offered to SMEs 	Holvi, Knopka
Complex administrative services offers	<ul style="list-style-type: none"> ▶ Centralized inventory, order, and product information management across multiple sales channels 	TradeGecko, Stitch Labs
Relationship building and due diligence	<ul style="list-style-type: none"> ▶ Insight on the financial health of trading partners ▶ Single collaboration hub 	Tradecraft, CreditHQ

Source: McKinsey Panorama Fintech (2019)

Innovation Lab

With fintech startups threatening the traditional banking industry, some financial institutions feel challenged to improve in a digital way. Rather than resign themselves to fate and surrender market share as they are increasingly marginalized by fintech startups, many of the world's leading banks are taking the lead with a proactive strategy: launching their own internal innovation labs. The main goals are to help the bank evaluate and adopt emerging technologies, to develop a culture of innovation, and contribute to the bank's digital strategy.

Figure 7. How to define an Innovation Lab



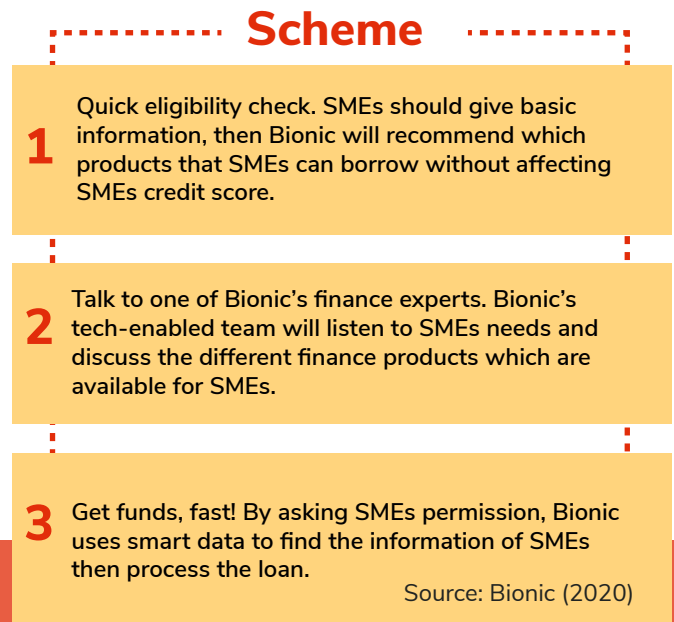
Source: The Fintech Book, Wiley (2016)

Bionic SME

Bionic is a company in the United Kingdom which was established in 2007. It provides a smart way for SMEs by matching SME business owners with the right business energy, insurance, connectivity, telecoms, and commercial finance solutions from Bionic’s panel or specially selected providers, suppliers and products with tech-enabled human experts. By using Bionic, it will help businesses to save time and money.

One of their services is Bionic Finance. SMEs can make the right finance choices by using this service, because Bionic recommends what’s right for SMEs business.

Figure 8. The way Bionic finance works



The solutions that provided by Bionic for SMEs

- 1 Asset finance**
Allow SME business to free up capital to help accelerate business growth. Bionic offers competitive funding packages, hire purchase, asset purchase or refinance, and everything in between.
- 2 Bridging loans**
A short term funding option, mainly used on development and property projects, but can also be utilised for business loan purposes. Due to it being short term, interest is quoted on a monthly rate.
- 3 Commercial mortgage**
A long-term loan used to help fund the purchase of a business property. Lending is usually offered for 70-75% of the total property value, with repayment periods of between five and 25 years.
- 4 Unsecured business loans**
Access to funds without the need to put up any assets, equipment or property as security. Like any unsecured loan, the chance of acceptance and the terms of the loan will be based upon your business’ credit score.
- 5 Working capital**
The money available to fund a company’s day-to-day operations. While business loans are often taken out to fund long-term assets or investments, a working capital loan is used to help fund the everyday running of your business.

The finance options given by Bionic to help SMEs

- 1 Pay for materials**
Bionic provides the cash in advance, so SMEs do not have to keep chasing invoices.
- 2 Meet the salary bill**
Bionic provides financing options for SMEs to paying staffs on time while circumstances quickly change in business.
- 3 Grow the business:**
Bionic provides finance for SMEs business needs to keep growing.

Bionic partners with trusted business and commercial lenders, such as Atom Bank, Aldermore, Fleximize, Lloyds Bank, Barclays, and Santander. Currently, Bionic has helped over 200,000 businesses.

SMEs Landscape in Indonesia

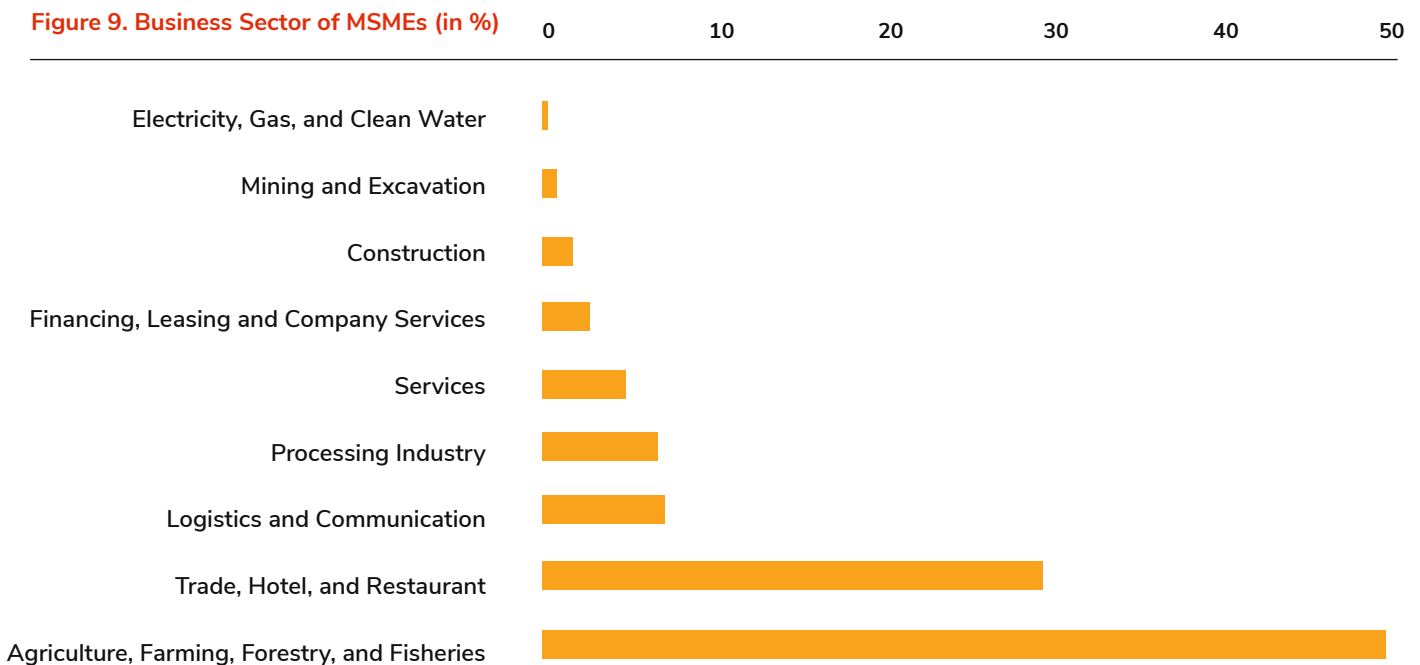
Micro, Small, and Medium Enterprises (MSMEs) account for around 99% of existing business enterprises in Indonesia and employ more than 95% of the total workforce across the country. These businesses act as primary engines of economic growth.

According to the data released by the Ministry of Cooperatives and SMEs of the Republic of Indonesia on the Development of MSMEs and Large Enterprises in 2017-2018, the number of MSMEs in 2018 amounted to 64 million units that are scattered throughout Indonesia.

Currently, the harnessing of digital technology combined with proactive policymaking has the potential to empower MSMEs and “level them up” into new value chains. Policy-makers in Jakarta and stakeholders throughout the country have recognized this.

Based on We Are Social study in 2018, it is found that MSMEs could leverage technology to achieve an 80% increase in revenue growth. Technology is creating new opportunities and lowering barriers to entry for MSMEs. The digital platform economy is enabling the development of human capital by connecting small enterprises to the digital global commons. This means access to new markets and resources such as cloud-based tools, e-commerce platforms, and mobile apps that can facilitate an infinite amount of economic and social activities.

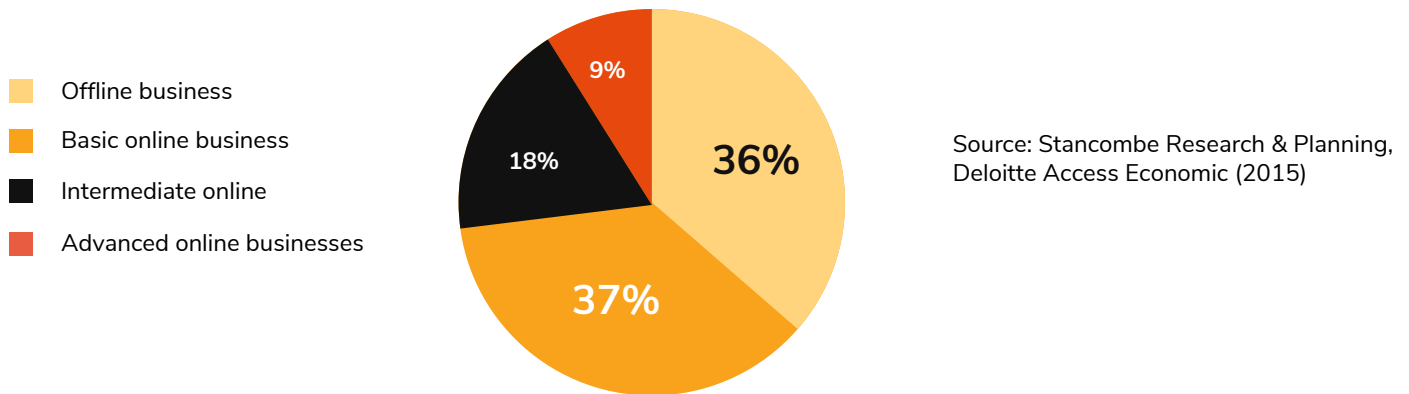
Figure 9. Business Sector of MSMEs (in %)



Source: Asia Pasific Foundation of Canada Report (2019)

Based on Deloitte reports in 2018, more than 60% of Indonesian MSMEs were online.

Figure 10. Business distribution based on level of digital involvement (surveyed on 437 MSMEs in Indonesia)



Offline businesses:

Businesses that do not have broadband access, including computer or smartphone, and website.

Basic online businesses:

Businesses that have broadband access and digital tools such as computers and smartphones, and have a website. However, the business is not involved in social media (except email) and does not have e-commerce capabilities for ordering or payment.

Intermediate online businesses:

Businesses that have digital connectivity and are actively involved in social media by integrating their site with social media, live chat, or consumer reviews. This business does not yet have full e-commerce capabilities (such as payments and orders through their website).

Advanced online businesses:

Businesses that have connectivity, social networking integration and e-commerce capabilities.

SMEs Category in Indonesia

According to Law no. 20 of 2008 concerning MSMEs. The MSME classification can be distinguished from the total assets and total sales turnover. Meanwhile, according to Badan Pusat Statistik (BPS), the classification also includes the number of employees.

Figure 11. The MSME classification

Type of Enterprise	Annual Turnover	Asset
Large enterprise	> Rp50 billion	> Rp10 billion
Medium enterprise	Rp2.5 billion - Rp50 billion	Rp500 million - Rp10 billion
Small enterprise	Rp300 million - Rp2.5 billion	Rp50 million - Rp500 million
Micro enterprise	Up to Rp300 million	Up to Rp50 million

Source: Law no. 20 of 2008 concerning Micro, Small, and Medium Enterprises (2008)

SMEs with Adoption of Technology in Indonesia

The Indonesian government is actively supporting the use and utilization of technology to increase the competitiveness of SMEs. However, currently technology adoption by SMEs in Indonesia is still very low. It can be caused by the owner of SMEs being old (first generation), they lack knowledge about technology, and their habitual to running a business the traditional way.

QRIS

In 2019, Bank Indonesia has launched a Quick Response (QR) Code standard for payments through server-based e-money applications, electronic wallets and mobile banking known as QR Code Indonesian Standard (QRIS). QRIS UNGGUL carries meaning, namely Universal, QRIS use is inclusive for all and can be used for domestic and international payment transactions. Second, Simple, QRIS offers secure and convenient transactions through mobile phones. Third, Profitable, QRIS transactions are profitable for merchants and customers due to efficient payments through one QR code that can be used for all mobile phone payment applications. Fourth, Direct, QRIS transactions are processed in real time, thereby supporting the uninterrupted operation of the payment system. The scheme of using QRIS is that the merchant displays a QR Code at their store to be scanned by the customer when initiating a payment transaction.



Bank Indonesia notes there are 1.6 million stores adopting QRIS. Which the most QRIS user is from West Java, which the amount of merchant is 612,883 or 23% from total merchant (national). In West Java, QRIS has been used by MSME in traditional markets, modern markets, shopping malls, online shops, universities, schools, canteens, and cooperative institutions.

Bank Indonesia also gave a statement that the most challenge is QRIS understanding by the community is still relatively low. It cannot be separated from the level of public understanding, including merchants, to various financial and digital literacy.

LAMIKRO



On October 2017, The Ministry of Cooperatives and Small and Medium Enterprises of the Republic of Indonesia launched LAMIKRO (Laporan Akuntansi Usaha Mikro). The Ministry sees the problem that mostly MSME do not have any administrative management and financial reporting. It will be an obstacle for MSME because they cannot calculate their financial, especially cash flow. MSME thought making a financial report is very hard and troublesome, although it is really important to know how many turnover they get daily or monthly so they can grow their business. The ministry hopes this application can help MSME to make financial reports faster and efficient. LAMIKRO can be accessed by app or by website. By using this application, MSME can calculate the cash flow, expenses, income, and profit easily. LAMIKRO also provides customer support which can help MSMEs to use this application.

SMEs Challenges in Indonesia

The top 3 main problems which are faced by SMEs such as financial, business operational, and expansion.

1. Financial

Access to finance remains a serious constraint for SME growth. According to McKinsey & Company's report, more than 50% of SMEs in Indonesia turn to non-bank sources to finance working capital (Fig. 62). Puspitasari, owner of KALOKA Pottery, said:

“The first problem that I faced in this business is I need working capital but I do not want to have a debt in bank, because it is hard to get approval from the bank to start this small business.”

— Fransisca Puspitasari, Owner of KALOKA Pottery

It is supported by a statement from Florentia Jeanne as Founder & CEO Noonaku Signature (Runner up of Wirau-saha Muda Mandiri 2016):

“SMEs do not have assets to be pledged to the bank when they want to propose a loan at bank.”

— Florentia Jeanne, Founder & CEO Noonaku Signature

While CEO Qasir, Michael Liem stated:

“We believe that the biggest problem in SME is financial inclusion. Financial inclusion is not a problem of bankability, but how many people use it.”

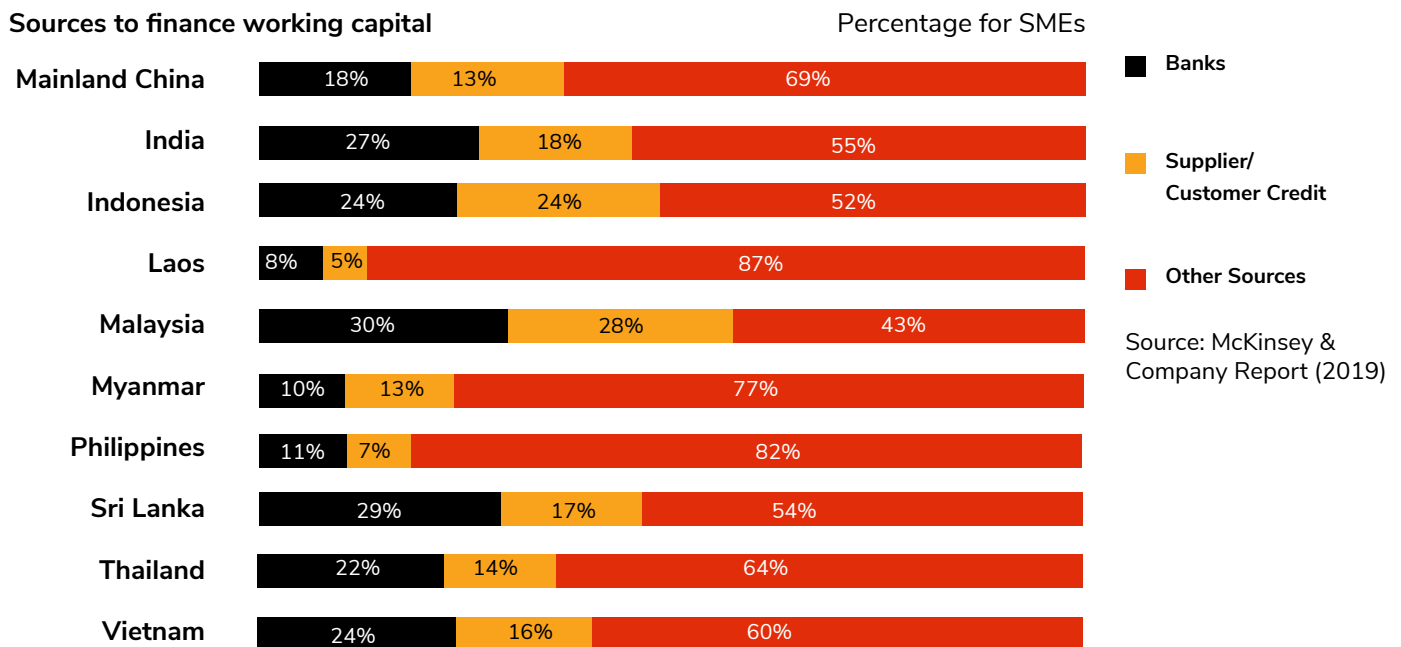
— Michael Liem, CEO Qasir

The challenges for most banks are lack of the information they need to assess the creditworthiness of SMEs accurately and often make bad lending decisions. The impact is that banks' risk costs for the SME segment are double those for the large corporate segment. It is supported by a statement from Adinata Widia as Project Head at Mandiri Transformation Office:

“The basic problem why their credit approval takes so long, because SMEs documents are incomplete and book-keeping record manually.”

— Adinata Widia, Project Head Mandiri Transformation Office

Figure 12. Small and medium size enterprises are largely underserved across emergency Asia, particularly for working-capital financing.



For many experts and commentators, the solution is the piloting and up-scaling of innovative financing solutions. There is a paucity of innovative products from the mainstream banks. A few banks are showing signs of innovation, for example, Bank BTPN has introduced non financial services such as training, networking and information for free, to attract and retain clients. Other banks have tried to be innovative but failed, for example Bank Permata introduced a non-collateralised SME loan but it was discontinued (due mainly to problems elsewhere in the bank).

The banks appear to be more focussed on processes, such as using a chatbot to ask some early questions over WhatsApp to prospective clients, but not so much in the products themselves. The most important issue is that SMEs lack the fixed assets needed to obtain finance.

Banks are not very innovative when it comes to lending to SMEs, and certainly not as experimental as elsewhere. Even though the amount of fintech lending is still small

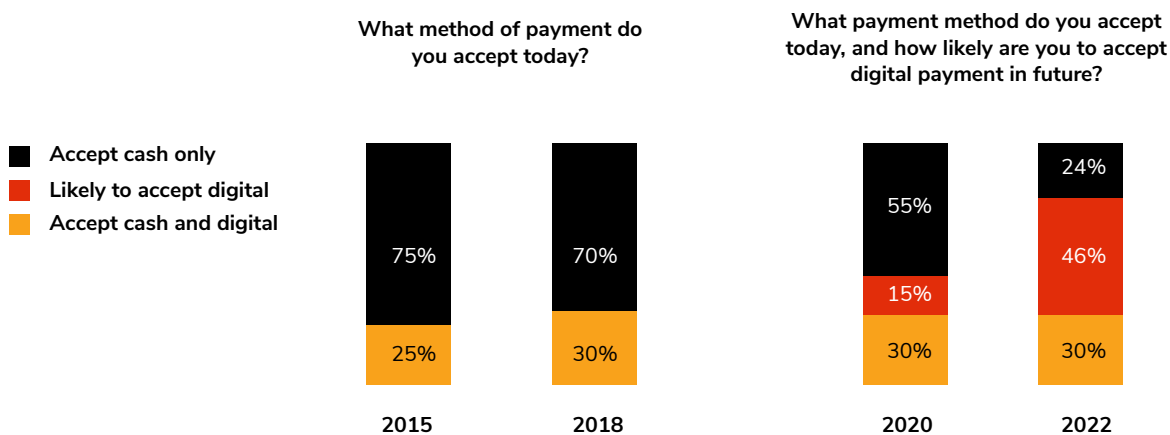
(less than 1% of the total outstanding amount of loans to MSMEs in Indonesia), and in many cases not suitable for SME finance, the emergence of fintech could push the banks to be more creative.

Fintech will be an important part of the innovation needed for greater financial inclusion Indonesia, but, at least for the short term, this will be mainly for payments, increasing individual accounts, rather than in SME lending. In the longer term, the recent PwC survey on banks' digital strategy suggests that SMEs will also be a focus, with nearly half the banks saying that it will be part of their use of digital finance. However, there are considerable capacity issues, at all three levels (regulatory, supply side and demand side), that need to be resolved before the unmet demand for SME finance can be addressed.

2. Business Operational

SME merchants' adoption of digital financial services is expected to dramatically increase. In a recent survey, more than 250 SME owners in Indonesia were asked about their payment acceptance methods today and how likely they are to accept digital payments in the future. About 30% already accept digital payments today, and another 46% said they would be likely or very likely to accept digital payments in two to three years.

Figure 13. Small and midsize enterprises are at an inflection point on digital adoption



Source: Google, Temasek and Bain & Company (2019)

As more companies turn to digital technology for workflow assistance as internal system and infrastructure, several SMEs have also enlisted the help of specialized software to improve efficiency in the workplace.

Many entrepreneurs have experienced the need for an app that would enable them to efficiently complete human resources-related tasks such as calculating employee salaries and income tax, managing personal staff data, paying for employees' health coverage, and keeping track of employee attendance. Karjo as owner of MOIAA (Silky Puding) said:

"Our inventory of raw goods is [calculated] manually using [Microsoft] Excel."

— Karjo, Owner of MOIAA (Silky Puding)

Another problem in business operational also faced by Fransisca Puspitasari (owner of KALOKA Pottery):

"I have problems with time efficiency which making impact in slow production. My employees can not adapt with the work system and also problems in accelerating distribution of goods."

— Fransisca Puspitasari, Owner of KALOKA Pottery

3. Expansion

There are some SMEs which has significant increase of return, but they never thought to grow their business, because they feel satisfied with current condition, as long as their daily needs are fulfilled.

Some problems faced by SMEs when they want to grow the business according to by Francisca Puspitasari as Owner KALOKA Pottery:

"Lack of knowledge to sell products online is one of my challenges when I want to start the business until now."

Togi Nainggolan, Head of Business Development at Mandiri SME said:

"SME players prefer to be trader than manufacturer because of SMEs lack of deep knowledge, they do not want take a risk because they must maintain inventory, they must have strong supply chain from suppliers, they need more bigger land, and need more employees."

Dina Handayani Effendy as CCO LODI & Adityas Muharam as Head of Commercial LODI also stated that:

"Problems commonly faced by SMEs in logistics are difficult to find a warehouse, lack of knowledge about which categories of best-selling products, delivery channels, lack of knowledge about packaging & fulfillment."

— Dina Handayani Effendy as CCO LODI & Adityas Muharam as Head of Commercial LODI

Meanwhile, SMEs who are aware of growing their business faced different problems. Laras Anggraini, Founder Smitten By Pattern stated:

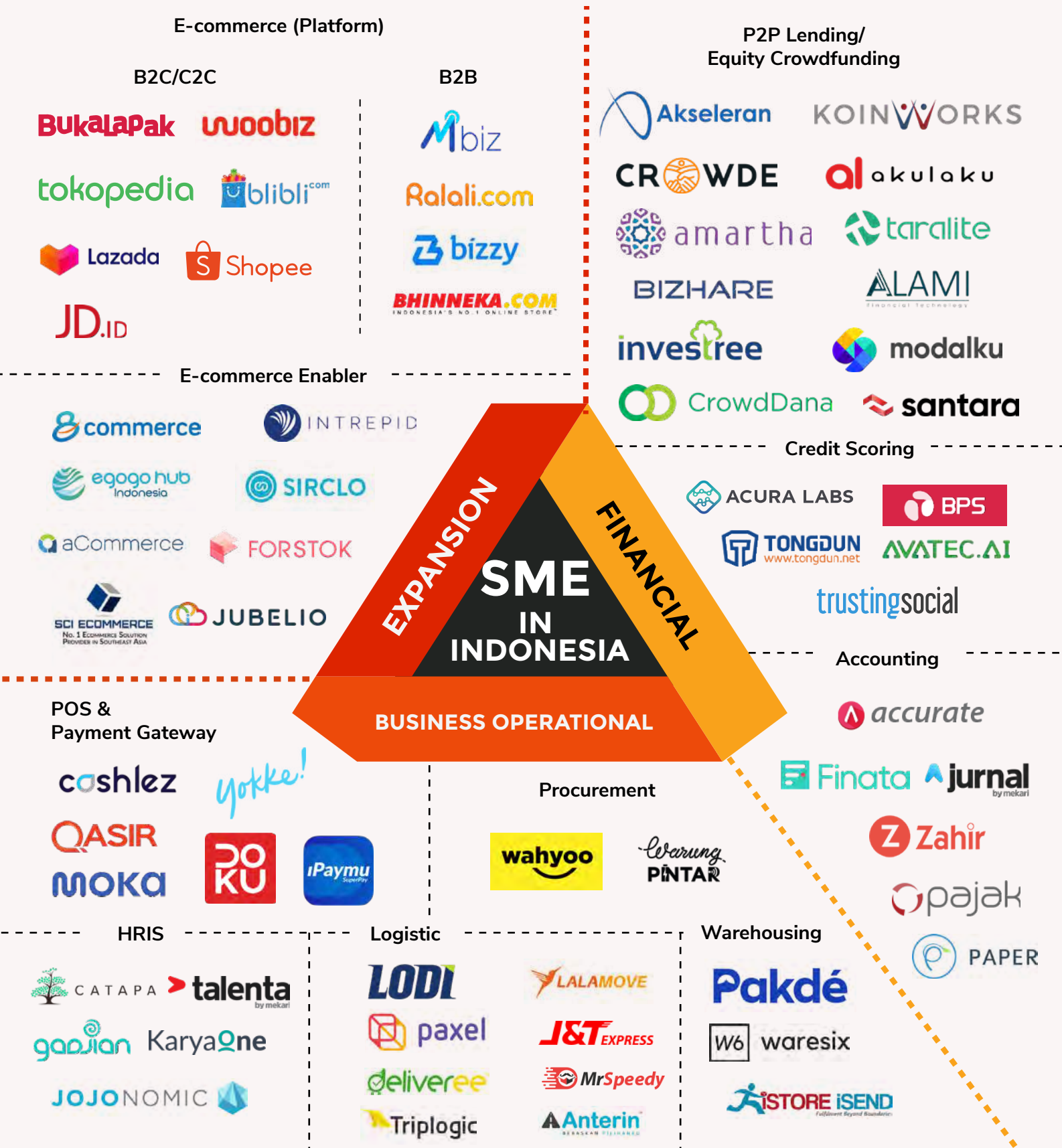
"The most difficult challenge in this year is to continue maintaining our innovation, still relevant but also unique in the market."

It was supported by a statement from Trias Puspita Hayati, Business Operations Manager at SIRCLO:

"As Indonesian SME's have begun to adopt technology, an occurring issue that should be solved is a matter of efficiency. Such can be done by upgrading their skills and branding or positioning in the market."

Strategic Solution

One solution that can help SMEs is collaboration with startups. Many fintech startups, business operational startups, and e-commerce startups, including Business-to-Business/B2B, Business-to-Consumer/B2C, and Consumer-to-Consumer/C2C in Indonesia provide many features that can empower SMEs.



1. Financial

The main financial problem in SMEs is lack of access to capital. There are P2P lending startups that can provide loans for SMEs, while Equity Crowdfunding provide bridging for equity injection.

Santara, Bizhare, and Crowddana are categorized as Equity Crowdfunding that have license from Indonesian Financial Service Authority (OJK). There are around 160+ P2P lending companies with license from OJK.

According to the latest SEA 2019 eConomy report compiled by Google, Temasek, and Bain & Company, there are 51% of Indonesia's population who belong to the unbanked group, while 26% are underbanked. In general, in Southeast Asia, 75% of the population in Southeast Asia is categorized as underbanked and unbanked. They are under-served for various reasons.

Figure 14. The difference data source of credit analysis between bank vs credit scoring startup (2019)

Bank		Credit Scoring Startup		
Age	Workplace	Camera	E-commerce Account	
Amount of Self Financing	Position/Occupation	Location	Commercial Credit Data	
Marital Status	Length of Work	Microphone	Consumptive Credit Data	
Amount of dependents	Total Length of Work	Net Income	Social Media Account	
Husband/ Wife Occupation	Education Status	Other Income	Citizenship and Civil Registration	
Ownership of credit/debit card	Present Credit	Telephone Bill	Healthcare BPJS & Social Security	
Kind of loan guarantee	Partnership with Bank	PAM Water	Electricity	Tax

Since banks only take bankable segments that have credit history, the data sources used are mostly taken from credit data plus other data to strengthen credit scoring. The case is different with fintech startups. Because customers do not necessarily have sufficient credit data, fintech startups will rely on other data or called alternative data (Fig.64) to produce credit scoring.

Many SME players are not aware that manual bookkeeping is a serious problems. It is prone to loss, damage, and even recap errors. Good bookkeeping practice is the key to an adequate business evaluation and help analyze business sales more precisely as a consideration for making further decisions. SaaS (in accounting) startups can help SMEs to get good bookkeeping.

Nowadays, the collaboration between accounting startup and P2P lending startup are common. SME that connects to accounting platform can apply for a loan from P2P lending.

SMEs use this working capital loan for investment, exporting and diversification product. Florentia Jeanne, CEO & Founder of Noonaku Signature, said that her company gets loans (Micro Business Credit & SME Loans Product from Bank Mandiri) for opening the offline store and branch stores.

For P2P lending startups, it is easier to verify borrower candidate and to audit SME financial statements that is collected, calculated, and consolidated using digital platforms.

Meanwhile, credit scoring startups indirectly help SMEs to get loan approval. It provides a risk score to assess the eligibility of SMEs getting a loan from a lending institution. These data, analyzed by credit scoring startups, can be a strong point to collaborate with big companies, like telco providers, retails, and e-commerce industries

- P2P lending & equity crowdfunding startups (registered or licensed by OJK):

P2P lending startups (as of January 2020)

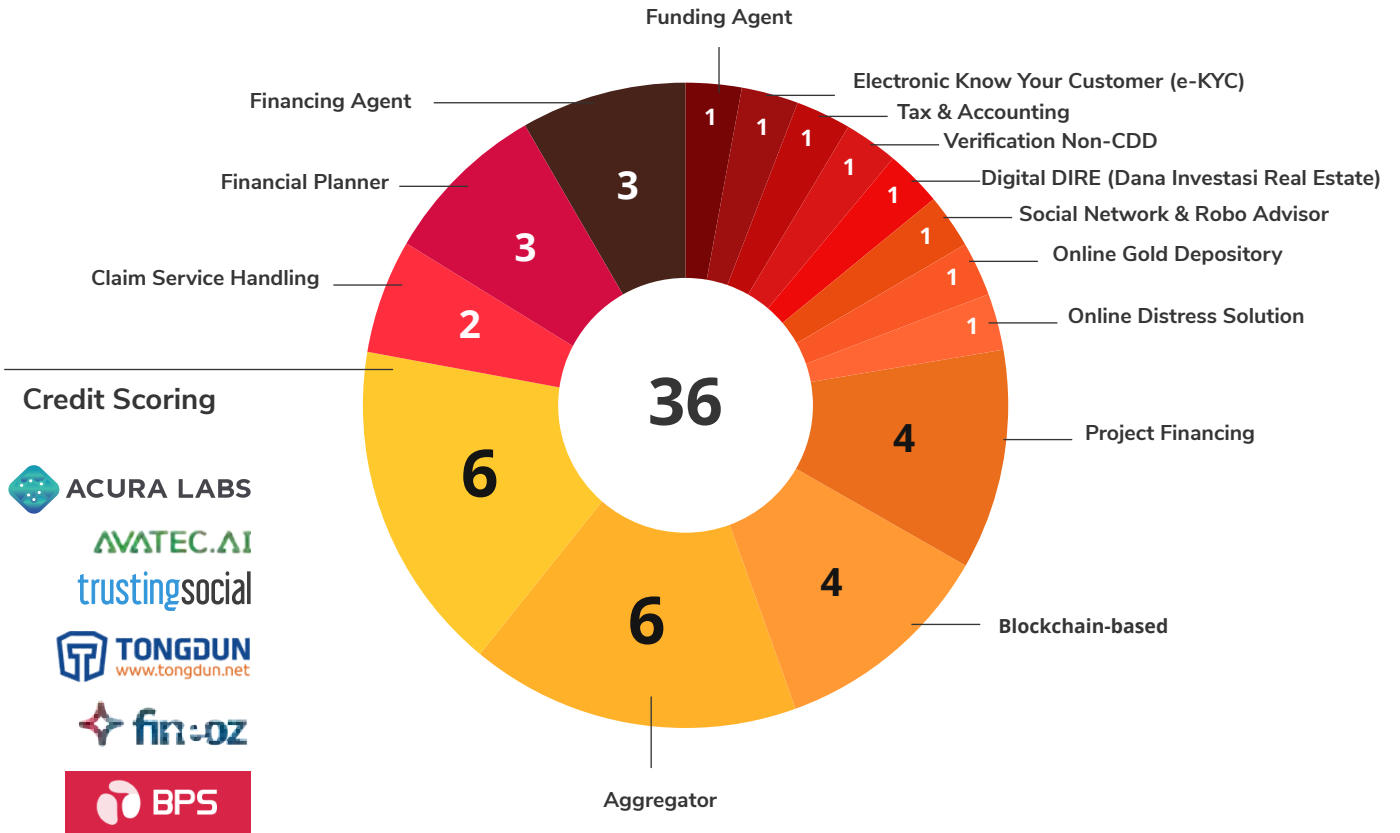
360Kredi	Digilend	KTA Kilat	syarfi
Adakami	DoeKu	LadangModal	TaniFund
AdaKita	do-It	LAHAN SIKAM	taralite
AdaModal	DOMPET Kilat	lumbung dana	TELEFIN
AdaPundi	Duha SYARIAH	maucash	TEMAN PRIMA
Akseleran	dumi	MEKAR	TOKO MODAL
Aktivaku	EASYCASH	MIKROKAPITAL.ID	Tree+
ALAMI	Edufund	MITRA P2P LEND-	TrustIQ
Amartha	Esta Kapital	ING	TunaiKita
ammaana	ETHIS	modal antara	TunaSaku
ArgaPro	FinanKu	Modal Nasional	UangMe
asakita	Finmas	modalku	UANGTEMAN
Asetku	FinPlus	ModalRakyat	UATAS
assetkita	finsy	MODALUSAHA.ID	UKU
AVANTEE	FINTAG	Mopinjam	vestia
AwanTunai	gandengtangan	OK!P2P	
BANTUSAKU	goena	OneHope	
BATUMBU	GRADANA	PAPITUPI SYARIAH	
BBX FINTECH	iGrow	Pasarpinjam	
Berkah Fintek	IKI Modal	PiNBee	
Syariah	iKredo	Pinjam	
bocil	indodana	Pinjam Disini	
bsalam	indofund.id	PINJAM GAMPANG	
Cairin	Indosaku	Pinjam KAN	
Cashcepat	Investree	Pinjam Yuk	
cashwagon	Invoila	PinjamanGo	
cicil	iTernak	PinjamDuit	
Crowde	JEBATANEMAS	Pinjamindo	
CROWDO	JULO	PinjamModal	
Dana Bagus	Kaching!	Pinjamwinwin	
Dana Mapan	Kapital Boost	Pintek	
DANA MERDEKA	KASPIA	Plaza Pinjaman	
DANA SYARIAH	KawanCicil	pohondana	
danabijak	KIMO	ProsperiTree	
DANACITA	KLIK KAMI	Pundiku	
DANAdidik	KlikACC	qazwa	
danafix	KlikCair	Restock.ID	
Danai.id	klikUMKM	RUPIAH CEPAT	
danain	KOINWORKS	RupiahOne	
Danakini	Komunal	samakita	
Danakoo	KONTANKU	SAMIR	
DanaLaut	Kredible	Sanders	
DANAMART	Kredinesia	Saya Modalin	
Danamas	Kredit Pintar	ShopeePayLater	
DanaRupiah	KREDITCEPAT	Singa	
Danon	Kredito	SOLUSIKU	
Dhanapala	KREDITPRO	sumur.id	

Equity crowdfunding startups (as of December 2019)

Santara
Bizhare
Crowddana

● Credit scoring startups:

Figure 15. Credit scoring startups Players by OJK (Oct 2019)



trustingsocial

CEO/Founder: Nguyen Nguyen Ronni Andi Kasim (Country Director Indonesia)

Founded: 2017

Investor: Undisclosed

Products: Trust Scores, Trust Identity Solutions, Smart Customer Acquisition

Summary

- Uses AI for credit risk, identity and acquisition
- Partners with financial institution, online travel agent, Telco provider
- Partners with Bank Mandiri for SME Loans



CEO: Suhardiman Agung

Founded: 2018

Investor: Temasek

Products:

Financial services with exposure to credit scoring, anti-fraud, e-KYC, digital payment, P2P lending, SME banking, and forex market E-commerce, with exposure to C2C marketplace, anti fraud, Consulting, with exposure to construction and automotive sectors (expertise: market research, in-depth interview, market sizing & forecasting, competitive benchmarking & analysis, value chain structure analysis)

Summary

- Partners with financial institution, e-commerce, telco, ride hailing startup
- 90% users are P2P lending startups



CEO:
Arnold Hiras Simorangkir

Founded: 2018

Investor: Undisclosed

Products:

Credit Score, Fraud Score
Multi-platform Score, Blacklist Check,
Multi Platform Detection

Summary

- Uses AI for credit score, fraud score, multi platform detection, multi platform score
- Affiliates with Advance.AI (also have lending products named Atome & Kredit Pintar)



CEO/Founder: Anis Radianis

Founded: 2019

Investor: Undisclosed

Products:

AI Check Trustworthy,
AI Score Creditworthy,
AI Credit Priceworthy,
AI Care Collectworthy

Summary

- Partners with Bank, Fintech, Multifinance, Syariah Scoring, Convent Scoring

● **Accounting startups:**



CEO: Jeremy Limman

Founder: Yosia Sugialam,
Jeremy Limman

Founded: 2016

Mobile Apps: 100,000+

Investor:

Golden Gate Ventures
& Modalku

Products:

Free Accounting, Digital Payment Expense Tracker, Inventory, Sales Invoice, Invoice Reminder, Send Invoice via chat apps, Financial Report, One Click Share, Invoice Template, Billing, Financing (Invoice Financing, Working Capital Loan), Custom Tax

Summary

- Number of user: 100,000+ (small businesses, online sellers, professional freelancer, retailers)
- Free accounting apps
- Provide invoice financing and working capital credit
- Partners with YAP! (Bank BNI), Modalku



CEO: Muihamad Ismail

Founded: 2018

Mobile Apps:

Zahir Online: 10,000+

Zahir Simply: 10,000+

Zahir Cash Manager: 1,000+

Zahir POSX: 1,000+

Investor: Undisclosed

Products:

Zahir Accounting 6,
Zahir Point of Sale (POS) 6,
Zahir POS Mobile,
Zahir Report Server 6,
Zahir Sales Order Mobile,
Zahir Enterprise Plus,
Zahir Online, Zahir Capital Hub

Summary

- Number of user: 70,000+
- Partners with P2P lending, e-commerce, ticketing, POS startup
- Zahir Capital Hub: platform of syariah fintech (partnership in channelling fund)
- Self-funded



CEO/Founder:
Yudi Sudarmadi

Founded: 2019

Mobile Apps: -

Investor: Undisclosed

Products:

Diagnose business health,
Calculate, deposit, report taxes,
Fiscal correction,
Credit receivable reminder

Summary

- Number of user: 600+ (startups, traders, manufacturers)



CEO/Founder: Darwin Tjoe

Founded: 1999

Mobile Apps:

Accurate Online: 10,000+

Accurate Lite: 10,000+

Investor: Undisclosed

Products:

Accurate Online, Accurate Lite
Accurate Desktop

Summary

- Number of user: 80,000+
- Partners with Moka, DBS, BCA



CEO/Founder:
Charles Guinot

Founded: 2014

Mobile Apps: -

Investor:

Warburg Pincus, Global Innovation Fund (GIF), Endeavor Catalyst, Alpha JWC Ventures, Sequoia India, Primedge

Products:

E-invoicing
Calculate, deposit, and report taxes

Summary

- Free online tax app (web-based)
- Number of user: 900,000+
- Partners with DJP Pajak, Xero, Payrollbozz, Bizzy, Tokopedia

“One of the government programs that helps SMEs is 1% tax for MSMEs. Besides that, Bank Mandiri is really helpful by providing small enterprise loans (KUR) & investment business credit for SME, a new product of Bank Mandiri.”

— Florentia Jeanne,
Founder & CEO of Noonaku Signature

“For procurement in our project, we need working capital and it is provided by Bank Mandiri in Working Capital Credit for SMEs.”

— Isman Purna Yeki,
Finance Manager in Digital Media (DIGIMED)

2. Business Operational

The challenges that are faced by SMEs in business operational are HR management, Point of Sales (POS) & payment gateway, procurement, logistic and warehousing.

For the effective and efficient business process, many SMEs need help to manage the challenges in line with the fast growth of SMEs' business. Many SME owners have experienced the need for an app that would enable them to efficiently complete HR tasks. Human Resource Information System (HRIS) startup is a solution that provides online attendance, online leave, claim or reimbursement, salary or payroll calculation and BPJS.

SMEs in Indonesia also experience obstacles from external factors, namely related to infrastructure. It's not only physical, but there is also non-physical infrastructure, such as the creative economy, related to HR through innovation which is a non-physical category infrastructure.

Payment gateway startup simplifies SMEs selling process and also streamline payment transactions. It also quickly accepts payment from many mobile payment users which can make the SMEs business more efficient. Some payment gateways also collaborate with P2P lending startups that can help SMEs to get funds for expanding the business.

SMEs also have quite a lot of problems in developing their business. One of them is a long and convoluted procurement. Here, procurement is defined by a network of every

individual, organization, resource, activity and technology involved in manufacturing and selling a product. Starting from sending sources from suppliers to a factory to the final delivery to the last user/consumer.

The reason is that there are many SMEs that stand individually not from one organization. Thus making the procurement process very long to arrive at users (consumers), in this case, the SME players in Indonesia. According to that case, there are some procurement startups which can help SMEs to solve these problems. Those startups can cut long ways of procurement by digital transformation in order to have speed effectiveness.

Indonesia has 17,500 islands stretching over 1,905 million square kilometers. This geographical situation is a logistic challenge. Multimodal transportation is the right product shipping solution in Indonesia. Multimodal transportation means combining different transportation methods to reach remote areas. This solution will be very helpful for SMEs in Indonesia.

Figure 16. The Impact of business operational startups in Indonesia on the SME industry and vice versa

Source: DSRResearch (2020)

Business operational startups	Impact for SMEs		Impact for Startup
	Before	After	
POS & Payment Gateway	Managing multiple outlets and inventory manually	Simplify the sales process of SMEs business and manage transactions more efficiently	Get more data from clients and customers which can be a strong point if payment gateway/POS startups want to get collaboration with other fintech startups or banks (to offers SME loan), E-commerce & online marketplace (to support cashless payment)
	Payment transaction manually	Have various methods of cashless transaction	
	Long process of payment	Connect front-end and back-end in SMEs business process	
	Limited options of payment	Worry-free inventory system	
	High risk of loss caused by human error	By using cashless transaction make payment process faster and real time	
		Reducing the possibility of loss caused by human error	
		SMEs also can get the results of SMEs' transactional data analysis to help SMEs increase their business growth and provide insight into current business trends	
Can access/monitor business anywhere anytime			
HRIS	Lack of knowledge about payroll calculation & HR	Payroll and HR management automatically (more accurate and faster)	By getting more data and needs from clients, HRIS startups can collaborate with some companies such as P2P lending startups or banks (to provide employee loan), insurtech or insurance companies (to provide insurance for employee), online travel agent (to provide business trip matters), instant messaging services (to provide communication between employees)
	Long process in complete the HR matters	Reducing the possibility of loss caused by human error	
	Manual employee database and payroll	Provide benefit management for employee (reimburse, loan, investment)	
	High risk of loss caused by human error	Able to create electronic standard operating procedure (e-SOP)	

Business operational startups	Impact for SMEs		Impact for Startup	
Procurement	Before	After	By getting more data from SMEs, procurement startup can have collaboration with banks/financial institution (to provide loans), warehousing startup (to provide a warehouse for storage of goods), accounting startups (to provide financial reports for SMEs), payment gateway & POS startups (to provide cashless payment)	
	Long procurement process	Simplify the procurement process		
	Need dedicated employee in procurement	Product stock availability is guaranteed		
	Do not have time to comparing price of products between suppliers	Get cheaper warehouse prices		
		Bill customer debt online		
	Bill customer debt manually	Have more knowledge to improve business (such as serve healthy menus or selecting best seller products to sale)		
	Lack of knowledge about marketing	Get more customer which the marketing matters provided by procurement startups (online promotion)		
	Limited payment options (cash)			Provide digital payment for consumers
Logistic	Lack of time to manage shipping products	Simplify shipping process (pickup, tracking package)	By providing same day services, logistic startups can collaborate with E-commerce startup & offline retails (to support delivery process). And also collaborate with banks/financial institutions (to provide working capital loans for SMEs and support SMEs to get additional income by becoming a banking agent)	
	Lack of knowledge to compare between logistic services (shipping price, delivery speed, package safety)	Reduced logistics costs		
		Guarantee of shipping process (on time delivery, package safety)		
	Lack of knowledge for cross border shipment	Faster delivery process (using same day services)		
		Additional packaging products also provided by logistic startups		
		Product quality (i.e frozen food) when shipping is guaranteed		
	Get working capital loans for expedite the cash flow or to expand the business			
Warehousing	Difficult to find a warehouse	The warehouse in a strategic location	By getting more data of SMEs, warehousing startups can collaboration with banks/financial institutions (to provide loans), accounting startups (to provide financial reports)	
	Lack of knowledge about delivery channels	Get competitive and reasonable price of warehousing & delivery channels		
	Lack of knowledge about packaging & fulfillment	Worry-free about packaging, fulfillment, and quality control of products		
	Stock calculation manually	Stock calculation automatically		
	Long process of quality control of product			

- POS & Payment Gateway Startups



CEO/Founder:
Riyoke Ustadiyanto
Founded: 2012

Investor: Undisclosed

Products:

Brand on ATM, Cash on Delivery (COD), Electronic Data Capture (EDC) - POS, Conveniences Store, Credit Card, Installments without a credit card, Link payment, Online debit, Split Payment, TagPay, Instant Virtual Account (VA), Mobile Bit, Viralmu: Platform recommendation as a service

Summary

- Provide 26 channel of payment
- Partners with Akulaku
- The amount of users: 90,000 merchant
- Will launch debit prepaid card and partners with bank



CEO/Founder:
Thong Sennelius
Founded: 2007
Mobile Apps: 1,000,000+

Investor: Undisclosed

Products:

Payment gateway, Transfer services, E-wallet

Summary

- The amount of merchants: 150,000
- Connected with more than 20 banks and financial institutions



CEO/Founder:
Michael Liem
Founded: 2015
Mobile Apps:
Qasir: 100,000+
Miqro: 10,000+

Investor:
Local investor

Products:

POS features:
1. Calculator
2. Wholesale shopping
3. Digital payment
4. Supply chain financing

Summary

- Subscriber always get free updated feature
- Support SMEs to get additional income by selling digital products (mobile credit, data packages, and electricity tokens)
- Focus on HR for food & beverage industry
- Specific app (1 app for 1 industry)
- 80% growth in Qasir is organic



CEO/Founder:
Ponky Sutanto
Founded: 2015

Mobile Apps
HelloBill POS Retail: 1,000+
HelloBill POS FnB: 5,000+

Investor: Undisclosed

Products:

F&B: Multiples Outlets Centralized Management, Manage Floor Plan & Seat Ordering
Retail: Seamless Customer Experience (E-catalogue, Mobile Checkout and Fast Checkout System), tracking order sales
Beauty service: Staff Commission Management, Scheduling & Reservation Management
BizKit: Customer Facing Display, Kitchen Display, E-catalogue

Summary

- The amount of user: 2,200 (nationwide at 125 cities)
- Partnership with OVO, Cashlez, Jurnal
- Future innovation: provide self ordering feature, owner apps, and partners with procurement startups

KaryaOne

CEO/Founder:
Protus Tanuhandaru
Founded: 2017
Mobile Apps : 5,000+

Investor: Undisclosed

Products:
 Absence and Attendance Management, Employee Database and Query, Employee Leave Management, Employee Permission Management, Integration with Fingerprint Scanners, Group Leave Application, Group Permission Application, Multi Shifts

Summary

- The product price in line with SMEs budget which only cost Rp15,000 /employee/month
- No minimum limit for the number of employee
- Can applied in all industries
- There is a succession management feature
- Integration with Fingerprint Scanners
- Provide Multi shifts
- Provide dashboard which shows the report about attendance, leaving, permission, and payroll, talent management
- Provide career path to identify the gap in terms of skills and/or experience the employees should gain, develop plans for career path
- Provide claim management (for withdrawal funds)

JOJONOMIC

CEO/Founder:
Indrasto Budisantoso
Founded: 2015
Mobile Apps
 Jojonomic -
 Expense Claim: 10,000+
 Jojo Times: 10,000+
 JojoExpense: 1,000+
 JojoTrip: 50+
 Travelnomic: 10+

Investor:
 Finch Capital, East Venture,
 Golden Gate Ventures

Products:
 JojoExpense, JojoTimes,
 JojoProcure, JojoCashCard,
 JojoPayroll, JojoBizTrip,
 JojoFlow. All solution integrated
 in JojonomicPro

Summary

- Jojonomic's product can integrated with various platform such as SAP, Oracle, Microsoft, Xero, and OpenBravo
- Jojonomic application system is connected with the five largest banks in Indonesia to facilitate payment and reimbursement systems, providing complete financial management solutions.
- Number of user: 60,000+ (from 300+ company)
- Will launch these products:
 JojoLive : include all partnership with Jojonomic (Online Pajak, Traveloka, Panorama Tour,
 JojoLink: connecting existing data of company to Jojonomic, JojoInside: dashboard contains graph & insight in the company, JojoThink: IoT tools, which can replace or connect with existing data

gadjian

CEO/Founder: Afia Fitriati
Founded: 2016
Mobile Apps
 GadjianKu: 10,000+
 Hadirr: 50,000+

Investor:
 Golden Gate Ventures,
 Maloekoe Venture

Products:
 Gadjian (for mature company)
 Hadirr (for grocery shop)
 Benefide : platform that provide many benefits for employee (insurance, loans, voucher)

Summary

- Free HRIS application (standard package)
- Number of user: 2,000 – 3,000
- Provide for customize payroll, such as convection business which pay the employee based on the amount of clothes have been sewn
- Collaboration with UrbanHire for employee recruitment
- Partners with insurance & P2P lending startup for Benefide
- Partners with Mandiri Cash Management



CEO/Founder:
Stefanie Suanita

Founded: 2017
Mobile Apps : -

Investor: GDP Venture

Products:

Basic: profile & organization structure company, personal & staff data management, administration, BPJS Health, BPJS Employment, PPh 21, Payroll

Premium: employee self-service, time management, Recruitment module, Time Management module, and Reimbursement module

Summary

- Integrated with BCA Business
- The price product based on the amount of employee in company
- Integrate Chabot with Facebook Messenger, LINE, Slack or Telegram that used by company



CEO/Founder: Gordon Enns

Founded: 2017
Mobile Apps : 100,000+

Investor: Otium Ventures

Products:

Absence & attendance management, Payroll management, Employee benefit (life, health, vehicle, education insurance, Greatday Smart Card: employee loan, invest), Working shift management, Employee & company data management, Report & analysis, Budget plan, Employee performance management, Recruitment, Internal social media, Communication (posting, chat, announcement)

Summary

- User: 12,000 users (200 companies in Asia)
- Partners with Mercer, Bank Permata, Jagain.com, Invissee, YesDok, Koin-Works
- Uses Software as a Service (SaaS)

● Procurement and New Retail Startups



CEO:
Agung Bezharie Hadinegoro

Founder:
Wilson Cuaca,
Agung Bezharie Hadinegoro,
Harya Putra,
Sofian Hadiwijaya,
Christian Winata

Founded: 2017
Mobile Apps :
Juragan Pintar: 10,000+

Investor:

SMDV, Vertex Ventures, Pavilion Capital, LINE Ventures, Digital Garage, Agaeti, Jerry Ng, EV Growth, OVO, Insignia Ventures Partners, Triputra Group, and other angel investors.

Products:

Juragan Pintar Apps
Warung Pintar Distribusi

Summary

- Integrated with OVO as a payment for customer
- Give competitive price of products for SMEs
- Provide POS in SMEs tablet
- Warung Pintar acquires Limakilo
- 6,874 kiosks around Jabodetabek, Surabaya, Banyuwangi (activeness rate 75%)
- Uses Internet of Things (IoT), big data analytics and blockchain



CEO/Founder:
Peter Shearer

Founded: 2017

Mobile Apps : 10,000+

Investor:

Agaeti Ventures, Kinesys Group, Chapter1 Ventures, SMDV, East Ventures and Rentracks

Products:

Shopping
Point reward
Kasbon
Flash sale
Calculator

Summary

- Number of user: 10,000+ (in Jadetabek)
- Validate the store (warteg) as initial stage of selection (permanent building, owner, how long the business running)
- Partners with BRI and Sayurbox

● **Logistic Startups**



CEO: Bryant Christianto
Founder:
Bryant Christianto,
Zaldy Ilham Masita,
Johari Zein

Founded: 2018

Mobile Apps : 500,000+

Investor:

East Ventures, Susquehanna International Group (SIG), Sinar Mas Digital Ventures (SMDV)

Products:

Same day delivery service intra and inter cities in Java until Bali

Summary

- Number of users: 600,000+
- Partners with PSSI, Garuda Indonesia
- Have 230 lockers in Jakarta, Bandung, Surabaya, Yogyakarta, Solo, Semarang
- To develop smart locker using IoT, expansion to Sumatra, Sulawesi, Kalimantan



CEO: Zico Gosal

Founder:
Yan Hendry Jauwena

Founded: 2019

Mobile Apps : -

Investor:

Local Investor

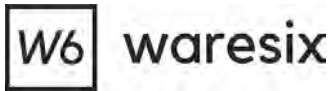
Products:

Warehouse, Order and Inventory Management, Last Mile Delivery, Fulfilment, Brands Warehouse Owner

Summary

- Number of users: 50+ businesses (E-commerce, Marketplace, and Social commerce)
- Provide Proof-of-Work System (POWS): web-based activity report
- Integrated with JNE, Sicepat, Lion Parcel, First Logistics
- Partners with DB Schenker Indonesia

- Warehousing Startups



CEO: Andree Susanto
Founder: Andree Susanto, Edwin, Filbert Hansel
Founded: 2017
Mobile Apps: -

Investor:
 Monk's Hill Ventures,
 SMDV, Triputra Group
 EV Growth and Jungle Ventures

Products:
 Warehousing & Freight Forwarder

Summary

- Number of users: 100+ businesses
- Operates in Jakarta, Semarang, Surabaya, Pekanbaru, Bali, Makassar, Balikpapan, Bandung, Palembang, and Dumai



CEO: Nicko Batubara
Founder: Nicko Batubara, Vyani Manao
Founded: 2016
Mobile Apps: -

Investor:
 Rocky Pesik, TNKapital

Products:
 Warehousing & Stock Management
 Quality Control
 Packing & Shipping

Summary

- Number of users: 15+ SMEs
- Pakde manages warehouses in Jakarta, Bandung, Tangerang, Yogyakarta, Surabaya
- The product price is in line with SMEs budget which only cost Rp50/item/day for warehousing, Rp2,000/item for QC, Rp2,000/order for packing & shipment
- Partners with JNE, J&T SiCepat

“Bank Mandiri gives training to be a professional entrepreneur that will help business systems of SMEs. It provides high quality coach, using action coach, and also accommodation (airplane ticket & hotel) for Mandiri SMEs which come from outside Jakarta.”

Florentia Jeanne,
Founder & CEO of Noonaku Signature
 (Runner Up of Wirausaha Muda Mandiri 2016)

3. Expansion

A solution for expansion problems includes digital marketing and online marketplace to help growing SMEs business to the next level some business expansion strategies are needed, such as expanding into new territories, target new customer markets, tap into new sales and delivery channels.

The other problem on the expansion phase lies in the distribution channel. Some SMEs have utilized social media and online marketplace, but yet to reach optimal benefit.

According to a report from McKinsey & Company, the potential for e-procurement in Indonesia reaches \$125 billion in 2025.

Figure 17. The Impact of expansion startups in Indonesia on the SME industry and vice versa

Source: DSRResearch (2020)

Expansion Startups	Impact for SMEs		Impact for Startup
	Before	After	
E-commerce	Lack of knowledge about selling product online & using online delivery	Improve sales, faster and safety guarantee on delivery process, get loans	E-commerce startups has big data of consumers & SMEs that can used to create collaboration with banks/financial institutions (to provide loans), insurance industries (to offers insurance on delivery process), online travel agent, payment gateway
E-commerce enabler	Lack of knowledge about creating online shop website, branding, marketing, warehousing, and shipping	Have online shop website, simplify online store management in various e-commerce, increasing sales by using marketing & branding strategy from E-commerce enabler startups	By getting more data of SMEs, E-commerce enabler startups can collaboration with banks/financial institutions (to provide SME loans), e-commerce (to expand SME online business), shipping services (to simplify shipping process), accounting startups (to provide financial statement for SME), POS & payment gateway startups (to support business transaction)

- E-commerce (Platform) Startups



Founder :
Putri Noor Shaqina,
Rorian Pratyaksa
Founded: 2019
Mobile Apps : 1,000+

Investor: Undisclosed

Products:
Woobiz App,
Wooniversity,
Woobiz Community

Summary

- User: women in Jabodetabek, Bandung, and Yogyakarta
- Partners with 300 SMEs with stock keeping unit (SKU) 2,000-3,000 in less than 1 year
- Uses commission system for user
- The products are curated by Woobiz team, based on user's interest & community
- Partners with Nahdlatul Ulama Students' Association (IPPNU)



CEO: Rizal Paramarta
Founder: Rizal Paramarta,
Ryn Hermawan
Founded: 2015
Mobile Apps: -

Investor:
Tokyo Century Corporation

Products:
Mbizmarket: a B2B marketplace platform integrated with a complete of total solution of e-procurement

Summary

- Number of vendors: 4,000+ (with 100,000+ SKU product)
- Partners with Infomedia, ANTAM, AWS, BAI Gift, brother, Element, EPSON, Lenovo, Paper One, SAMSUNG, Unibless Indomulti
- Recently get funded by Investree
- It seeks to strengthen the platform ecosystem by inviting relevant parties into e-procurement transactions such as fintech, insurtech, and logistics.



CEO: Harsinto Huang
Founded: 2015
Mobile Apps
Tokosmart: 10,000
BFF/Bizzy Field Force: 500+

Investor:
Sinar Mas Digital Ventures (SMDV),
East Ventures (EV)

Products:
Tokosmart app, Bizzy Field Force,
BizzyPOS, Truckway

Summary

- Collaborates with Bizzy Logistic & Bizzy Distribution
- Partners with Microsoft and Acer (Bizzy Guide)



CEO/Founder:
Joseph Aditya
Founded: 2014
Mobile Apps:
Ralali: 100,000+
BIG Agent: 100,000+

Investor:
East Ventures,
Cyber Agent,
Beenos, Beenext, Arbor
and AddVentures

Products:
BIG Agent: Apps for 300,000+
Sobat Agent.
Business Innovation Group (BIG)

Summary

- Have more than 10,000 loyal customers, 2,000 vendors, and more than 250,000 products from all types of fields.
- Octopus, platform of distribution management system, tracking and monitoring product sales, which are connected to BIG Agent platform.
- Partners with Mandiri, BRI, CIMB Niaga, BII, BCA, Permata Bank, Kredivo, TIKI, First Logistics, JNE, Futuready.

- E-Commerce enabler



CEO/Founder:
Brian Marsha
Founded: 2013
Mobile Apps :-

Investor:
East Ventures,
Skystar Capital
and Sinar Mas Land

Products:
SIRCLO Store (Platform for
online shop), SIRCLO Commerce
(Channel management solution),
Connexi (Dashboard
for monitoring online business)

Summary

- 1 million active users
- 600,000 business enabled by SIRCLO
- E-commerce revenue: around Rp55 billion
- 200+ top brands join SIRCLO
- Provides chat commerce
- Partners with MidTrans, GoPay, ModalRakyat



CEO: Ronny Ritongadi
Founded: 2015
Mobile Apps: -

Investor: Undisclosed

Products:
Warehouse and Last Mile Fulfillment
Store Operations and Channel
Management

Summary

- Provides fraud detection system
- Operates in Jabodetabek, Bandung, Semarang, Surabaya, Medan



CEO: Benny Tanadi
(President Director)
Founded: 2017
Mobile Apps: -

Investor: Undisclosed

Products:
Strategy & Consulting,
Digital Marketing Service,
Customer Care Program,
Warehouse & Fulfillment,
Conversion Optimization,
Marketplace Management,

Summary

- Number of users: 10+ businesses in Southeast Asia
- Partners with e-commerce and digital marketing



CEO: Sean Lawlor
Founded: 2019
Mobile Apps: -

Investor: Undisclosed

Products:
Professional Relationship
Management, Brand Equity
Reinforcement, Market Insights
Market Share Expansion, End to End
Services (integrated with warehousing
and logistics providers), Advanced
Marketing Services, E-commerce
Marketing Intelligent Solution,

Summary

- Operates in Indonesia, Malaysia, Singapore, Thailand, Vietnam, Philippines
- Uses a combination of automation, smart recommendations using advanced machine learning techniques, multi-platform API connections, as well as sophisticated data-gathering, storage, and processing
- Partners with Revlon, Toshiba, HP, Audio-Technica, Head, Paul Frank, Deuter, Sendo, Lazada, Shopee, Blibli, JD.ID, Zilingo, Bukalapak, TIKI, Zalora, Tokopedia



CEO: Joseph Liu
Founded: 2019
Mobile Apps: -

Investor: Undisclosed

Products:
 Branding & management online store, Warehouse & logistic
 Monthly report & analysis data,
 Customer service

Summary

- Operates in Indonesia, Malaysia, Singapore, Thailand, Vietnam, Philippines, China
- Partners with Qoo10, Shopee, Lazada, Bukalapak, Tokopedia, Blibli



CEO: Susandi Putra Nst
Founder: Susandi Putra Nst, Luthfi Makhfudz, Arif Budiman
Founded: 2016
Mobile Apps: -

Investor: Undisclosed

Products:
 Stock,
 Order,
 Accounting,
 Jubelio POS

Summary

- Number of users: 700+ (60% come from MSMEs and the rest are large companies, such as Unilever, P&G, ID Marco, Mitra10)
- Integrates back office, warehouse, marketplace, webstore and point of sales (POS) into one dashboard
- Partners with more than 10 e-commerce and 5 logistic services
- Provides service to build online store & branding
- Uses SaaS
- Plans to expand to Singapore and Vietnam



CEO: Gesvyn Zeng
Founder: Gesvyn Zeng, Azmi Hayaza
Founded: 2016
Mobile Apps: -

Investor: Undisclosed

Products:
 Inventory, Orders,
 Customers, Reports,
 Promotions, Listings,
 Web-based POS

Summary

- Partners with 10+ marketplace & e-commerce, POS startups, shipping services, accounting startups
- Uses cloud

“Bank Mandiri supported SMEs by organizing bazaar with Mandiri SMEs as participants. It helps to introduce Mandiri SMEs’ products to the market extensively.”

— Florentia Jeanne, Founder & CEO of Noonaku Signature
 (Runner Up of Wirausaha Muda Mandiri 2016)

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