

Developing A Star-Up Business From A Management And Financial Perspective For Indonesian Workers In Korea

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Abstract.

Many Indonesian citizens seek opportunities abroad, including becoming Indonesian workers in various countries, notably in South Korea. This phenomenon is further fueled by the global popularity of the Korean wave, attracting both Indonesian workers and students to Korea. With a significant proportion of Indonesia's population falling within the productive age range (15-64 years), there is a growing demand for diverse job opportunities. The recent boom in startup businesses, driven by technological advancements and government support, has provided a promising avenue for addressing these economic challenges. South Korea, known for its rapid technological development, offers an ideal environment for Indonesian workers in Korea to venture into startups. However, navigating the complexities of the Korean startup landscape, including fierce competition and intricate regulations, presents its own set of challenges. Building a robust network, understanding local regulations, and focusing on effective management and financial planning are essential for success. This community service initiative, conducted by IBI Kosgoro 1957 and the Indonesian Ambassador in Korea in collaboration with Kaya University and Busan University, aims to enhance the knowledge of Indonesian workers in Korea in the areas of startup business development, management, and finance. Through interactive seminars, discussions, and ongoing evaluations, this initiative seeks to empower Indonesian workers with the skills and insights needed to thrive in the competitive Korean market. The results and discussions from this initiative emphasize the importance of effective marketing strategies tailored to the Korean market, the significance of financial management in startup success, and the potential for Indonesian workers in Korea to build successful businesses by leveraging their unique experiences and networks. In conclusion, developing startup businesses in South Korea as Indonesian workers entails thorough market research, strong business planning, capable management teams, sound financial management, tailored marketing strategies, and adaptability. By effectively implementing these factors, Indonesian workers in Korea can enhance their prospects of establishing and growing successful startups in a competitive environment.

Keywords: *Developing Star-Up Business, Management Perspective, Financial Perspective and Indonesian Workers In Korea.*

I. INTRODUCTION

Indonesia is one of the fastest growing economies in Southeast Asia. However, despite the positive economic growth, there are still many problems faced by Indonesia such as poverty, unemployment, and uneven development[1]. Therefore, many Indonesian citizens step out of their comfort zone to become Indonesian workers who are scattered in various countries. One of them is Indonesian workers in Korea, not only many Indonesian workers in Korea but also many Indonesian students in Korea, especially the Korean wave is booming in Indonesia and even throughout the world[2].

If we look at the composition of the Indonesian population according to William H.F (2020), the number of productive age population (15-64 years) will be greater than the non-productive age population (65 years and over) with a proportion of more than 60% of the total population[3]. This is what triggers the need for a very wide range of job opportunities. In recent years, the startup business has grown rapidly. This can be seen from the number of startup companies that have emerged and received funding from local and foreign investors[4]. This phenomenon cannot be separated from the rapid development of technology and the internet, as well as support from the government and business community to advance the startup ecosystem[5].

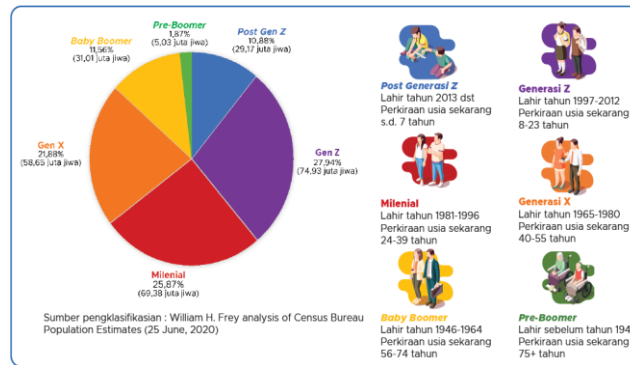


Fig 1. Population Composition of Indonesia

South Korea is one of the developed countries with rapid technological development. This provides an opportunity for Indonesian workers in Korea to develop a startup business, because many Indonesian workers who work in Korea have the potential to become entrepreneurs by utilizing existing technology. With many Indonesian workers in Korea who have business ideas, human resource management is important in starting a startup business. However, the development of startup businesses in Korea has quite complex challenges, ranging from intense competition to complicated regulations. This does not mean that it is impossible to overcome. Indonesian workers in Korea can learn and understand these challenges, and find the right solutions to overcome them[6]. One way to overcome start-up business challenges in Korea is to build a strong network. By having an extensive network, Indonesian workers can get information and support from various parties, such as investors, mentors, and business partners. In addition, Indonesian workers also need to pay attention to the regulations that apply in Korea and ensure that their business is in accordance with the existing rules. In addition, in developing a startup business, management and financial aspects must also be considered so that the business can survive and grow[7]. Therefore, it is necessary to have a better understanding of the management and financial aspects of developing a startup business as well as efforts to obtain sufficient capital. One example of a successful start-up business in Korea is the e-commerce company Coupang.

Coupang was founded in 2010 by a Korean-American entrepreneur named Bom Kim. In the beginning, Coupang faced many challenges such as a lack of logistics infrastructure and consumer confidence in online shopping. However, Coupang managed to overcome these challenges with innovation and a focus on customer service quality. They built a large warehouse outside of Seoul to speed up the delivery of goods and provided a refund guarantee if consumers were not satisfied with the products purchased. This helped increase consumer confidence and made Coupang one of the largest e-commerce platforms in Korea. The basic concepts of start-up business management include planning, organizing, directing, and controlling[8]. Planning involves setting goals, strategies and tactics to achieve those goals. Organizing involves the organizational structure and allocation of resources to achieve those goals. Directing involves supervising and motivating employees to achieve those goals[9]. Controlling involves evaluating performance and taking action to improve performance. Meanwhile, the basic concepts of financial management include managing cash flow, making investment decisions, and financing[10]. To develop effective financial management for start-up businesses in Korea, it is important to thoroughly understand the financial situation of the company and make a realistic long-term financial plan[11]. From this background and also supporting the program to increase the knowledge of Indonesian workers in Korea, IBI Kosgoro 1957 and the Indonesian Ambassador in Korea in collaboration with Kaya University and Busan University held community service for Indonesian workers in Korea with the aim of increasing and honing deeper knowledge related to the development of business star ups from the aspects of management and finance.

II. MATERIAL AND METHODS

2.1 Material

This activity was held on August 25, 2023, at the Kosgoro 1957 Institute of Business and Informatics with the aim of providing solutions based on academic studies of the needs, challenges, or problems faced by Indonesian workers in South Korea. Help solve problems related to the development of

business star ups from the management and financial aspects and other Investment and Productive Opportunities. Providing information on working while studying, as well as sharing experiences and success tips for working in South Korea. This activity was attended by 500 participants consisting of Indonesian workers in Korea, MSME entrepreneurs, educational practitioners, lecturers and also bureaucrats as well as observers and researchers who are relevant to the topic of community service.

2.2 Methods

Here are some methods you can consider for community engagement:

- 1 Interactive Seminar Using Multimedia for Delivering Material
Besides written materials, utilize multimedia such as videos, graphics, and visual presentations to clarify concepts and messages related to the fundamental concepts of management and finance in startup businesses.
- 2 Direct Interaction and Discussion Sessions
Q&A sessions and discussions that allow participants to ask questions and receive clarification on the topics that have been presented.
- 3 Ongoing Evaluation
In addition to the final evaluation through a Google form, conduct continuous evaluations during and after the activities. This can be done through short surveys after each session or long-term monitoring of the impact of the activities.

These methods can enhance the effectiveness of your community engagement efforts, especially when discussing management and financial concepts in the context of startup businesses.

III. RESULTS AND DISCUSSION

In developing a start-up business in Korea, the right marketing strategy is crucial. There are several key considerations in designing an effective marketing strategy for a start-up business in Korea.

Firstly, define a clear and specific target market.

Secondly, utilize social media as the primary marketing tool, as the majority of Koreans use social media in their daily lives.

Thirdly, create compelling and relevant content for the target audience.

Fourthly, leverage influencer marketing to boost your brand's influence among the Korean population. Indonesian workers in Korea can implement these marketing strategies by studying Korean consumer behavior and understanding current market trends[12]. Additionally, they can build networks with local influencers and create content that aligns with Korean culture and values. With the right marketing strategy, your start-up business can thrive and grow in the competitive Korean market. It can be seen from the figure below that the Indonesian workforce, both professional and non-professional, is the most of all Indonesians in South Korea, this provides great potential to develop business and build networks.

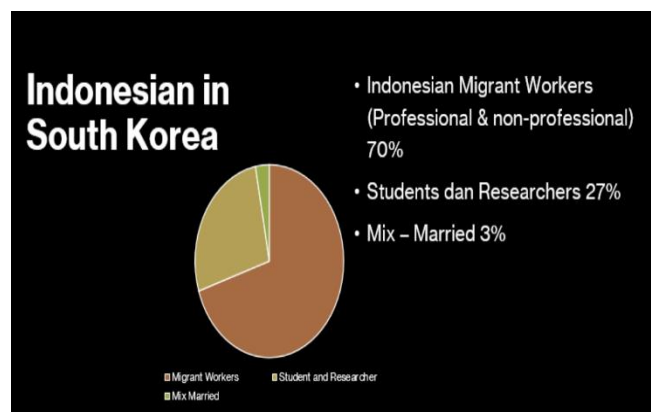


Fig 2. Indonesian in South Korea

Meanwhile, the financial management perspective looks at the process of planning, organizing, controlling, and monitoring the financial resources owned by a start-up business[11]. In addition, it is important to monitor financial performance regularly and make adjustments if necessary[13]. Financial statements are an important business performance analysis tool for startup businesses. By understanding financial statements, business owners can evaluate business performance and make the right decisions to increase profitability.



Fig 3. Delivery Of Material By The Rector Of IBI Kosgoro 1957

Some types of financial statements that business owners need to understand include, Income statement, which shows revenues and expenses in a given period. Balance sheet, which shows assets, liabilities and equity at a point in time[14]. A cash flow statement, which shows cash inflows and outflows in a given period. It can identify ineffective financial resources, and optimize the use of funds[15]. In developing effective financial management for start-up businesses in Korea, it is also important to consider factors such as taxes, financial regulations, and market risks[16].



Fig 4. Documentation Of Participants' Activities With Korean Representatives

The results of this activity demonstrate the enthusiasm of the participants and the valuable insights provided by the speakers regarding running a start-up business in South Korea. The challenges and various aspects that need to be considered in developing a start-up business in Korea from a management and financial perspective were discussed thoroughly. From product development to marketing strategies, all these aspects must be carefully and effectively managed for the business to achieve sustainable growth. Indonesian workers in Korea can address the challenges they face by building a strong network, establishing a solid team, and developing effective financial management. By doing so, they can access available sources of funding and manage the risks associated with running a start-up business in Korea. Outcomes of this research illustrate the importance of thorough planning and strategic management for Indonesian workers in Korea

looking to develop and sustain a successful start-up business. The enthusiasm and insights gained from this activity can serve as valuable resources for their entrepreneurial endeavors in the competitive Korean market.

IV. CONCLUSION

In conclusion, developing a start-up business from a management and financial perspective for Indonesian workers in Korea involves a multifaceted approach. Key takeaways from this endeavor include:

- 1 Thorough Market Research, to understand the Korean market, its trends, and the specific needs of Indonesian workers is crucial for success.
- 2 Strong Business Plan, can make how to create a clear and comprehensive business plan with defined goals and strategies is essential.
- 3 Assembling a capable and experienced management team is vital for effective decision-making and execution.
- 4 Financial Management to managing finances carefully and seeking additional funding sources when needed are critical aspects of success.
- 5 Tailoring marketing strategies to the Korean market, leveraging social media and influencers, and staying attuned to consumer behavior is key for brand visibility and growth.
- 6 Adaptability to remaining flexible and adaptable to changes in the market and customer preferences is essential for long-term success.

By considering these factors and implementing them effectively, Indonesian workers in Korea can enhance their chances of successfully developing and growing their start-up businesses in a competitive environment.

V. ACKNOWLEDGMENTS

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