THE INNOVATION DEVELOPMENT OF COMPETITIVENESS AMONG VILLAGE-OWNED ENTERPRISES AGENCY (VOEA) IN THE PROVINCE OF WEST JAVA, INDONESIA

Ahmad Hermanto, Bambang Purwoko, Sri Widyastuti and Widharto Rachbini
The Faculty of Economics of Pancasila University, Jl. Lenteng Agung Raya No.56, RT.1/RW.3, Srengseng Sawah, Jagakarsa, South Jakarta City, Jakarta, Indonesia, 12640

ABSTRACT
The objective of this study is to examine the level of competitiveness exhibited by the Village Owned Enterprise Agency (VOEA) in the province of West Java, located in Indonesia. The current state of affairs is hindered by the intricate nature of the issues at hand and the deficiencies of the VOEA that are presently underway. In West Java, for instance, a significant portion of the 2,921-unit VOEA, specifically 85%, are inoperative. Similarly, in Indonesia as a whole, out of the total 45,549-unit VOEAs established, only 30% remain functional due to their inability to effectively compete. Hence, the purpose of this study is to construct a model for enhancing the competitive innovation of the Village Owned Enterprise Agency (VOEA) in the province of West Java, as well as in Indonesia as a whole. The results of this study demonstrate that equity crowdfunding serves as a potent mechanism for promoting alternative financing and facilitating new avenues of financial access for VOEA. Moreover, it acts as a catalyst for entrepreneurship and innovation, fostering sustained competitiveness in the execution of VOEA business operations in the region of West Java, Indonesia.

Keywords: Business Models, Village Owned Entrepreneur Agency (VOEA), Entrepreneurship, Innovation, Crowdfunding, and Competitiveness.

1. INTRODUCTION
Law No. 6 of 2014, pertaining to Villages, has been enacted by the Government of the Republic of Indonesia. The Act encompasses three primary objectives: firstly, to enhance the human capital in rural areas; secondly, to augment public earnings through economic institutions; and thirdly, to eradicate poverty. The economic entity mentioned in the Act is the organization responsible for managing village-owned enterprises.

Presently, there exists a total of 74,957 villages in Indonesia, out of which 45,549 VOEA have been established. However, it is noteworthy that only 30% of these VOEA, equivalent to 13,665, have managed to sustain their operations (Ministry of Village, December 2018). In the province of West Java, a total of 2921 VOEA (Village-Owned Enterprises) have been established, however, it is noteworthy that 85% of these enterprises are currently inactive or non-operational. (Department of Community Empowerment of West Java, September 2020).

The aforementioned circumstances are detrimental to the fiscal situation of the government and do not have any ramifications for the advancement of the rural community (Ministry of Village, 2020).
Several factors contribute to the challenges faced by villages in achieving economic development. These factors include organizational arrangement issues, inadequate business planning, limited human resources competence, obstacles in developing village potential, ineffective promotion strategies, and the presence of weak business models (Ibrahim & Iwan Sutarna, 2018). Additionally, the insufficient application of technology (Syamsuri et al., 2018) and weak competitiveness (Hermiati & Zulhakim, 2017) further hinder the progress of village development efforts.

Enhanced competitiveness is imperative in order to diminish government intervention and bolster public engagement in addressing societal necessities. According to Pietro et al. (2020), Furthermore, the integration of creative concepts and entrepreneurial initiatives is vital for addressing societal needs and advancing public administration. This entails fostering a culture of adaptability and embracing transformative practices, thereby stimulating and maximizing the utilization of entrepreneurial resources to enhance competitiveness. According to Liddle (2019), Rural-based Village-Owned Enterprises, commonly situated in geographically remote areas, face the imperative of seeking novel avenues and alternative means of financing. This necessitates active engagement with local communities, harnessing their collective potential to explore innovative funding mechanisms, including equity and microfinance crowdfunding, for entrepreneurial initiatives (Carnes et al. (2019). According to Bradley et al. (2020), it is imperative to enhance economic growth while also aligning it with sustainable development objectives and promoting social well-being, without causing harm to the environment.

The assertions and viewpoints of experts serve as the foundation for researchers who argue that the business model, a key aspect of strategic management, is not solely the domain of private companies or entrepreneurs seeking to ensure the longevity of their businesses. Rather, it is argued that the development of business models should also involve public entrepreneurs, commonly referred to as government entrepreneurs, such as VOEA in Indonesia. Public sector entrepreneurship, also referred to as government enterprise, aligns with the consensus among experts in the field. (Luke and Verreynne, 2006; Luke, Verreynne, and Kearins, 2010; Carnes, 2019).

The Village-Owned Enterprise Agency (VOEA), being a recently established public business organization in Indonesia, necessitates the establishment of a clear and concise core business description in order to enhance its competitive advantage. The concept of a firm Model has arisen as a fundamental tool for delineating the essential aspects of a firm. It is widely regarded as the initial agreement among stakeholders to initiate a commercial venture. (Verstraete and Estèle, 2007).

The objective of this study is to examine the effects of entrepreneurship, crowdfunding, and innovation on business models in order to enhance the competitiveness of Village-Owned Enterprises Agency in the region of West Java. Additionally, this research seeks to investigate the influence of these three variables on competitiveness.
2. REVIEW OF LITERATURE

2.1. Entrepreneurship
Entrepreneurship is a mechanism for generating economic benefits, however, not solely based on generating wealth. It gave rise to the idea of sustainable entrepreneurship, which has been a rapidly growing concern in the last decade. (Yepez, 2019). Entrepreneurship has been seen as a solution to social inequality and environmental degradation (Muñoz and Cohen, 2018; Yepez, 2019). Entrepreneurship contributes to socio-economic development depending on the context in which it occurs (Omri., 2020). Entrepreneurship is the totality of the entrepreneur's mind, especially the total cognitive representation that is realized in the form of a business model (Liddle, 2019). (Liddle dan McElwee., 2019).

2.2. The Concept of Crowdfunding
In 1885, Joseph Pulitzer, the publisher of the New York newspaper 'World', successfully motivated his readers to contribute a sum of $100,000 towards the financing of the construction of the Statue of Liberty. As a token of appreciation, readers received newspapers and miniature replicas of the Statue of Liberty. This event marked the early emergence of crowdfunding (Brand, 2021). Crowdfunding is an increasingly prevalent kind of financial innovation that allows entrepreneurs to supplant conventional sources of finance, such as banks or venture capitalists, by specifically targeting customers, lenders, and small-scale investors across different geographical locations (Mollick, 2014; Zhang & Chen, 2019). Crowdfunding plays a pivotal role in shaping the business model of both start-up ventures and small to medium-sized enterprises. In order to foster the generation of novel company concepts, newly established enterprises as well as small and medium-sized enterprises (SMEs) necessitate an ample number of financial resources.

According to the April issue of the Global Alternative Finance Market Benchmarking Report, the proportion of equity-based capital in the global financing industry was merely 8% in 2018. However, it is worth noting that equity crowdfunding has emerged as a notable source of equity finance in certain countries, particularly for small and medium-sized enterprises (SMEs) that play a crucial role in fostering job opportunities and driving economic expansion (the CCAF, 2020).

Following the occurrence of the 2008 financial crisis, both bank financing and venture capital sources have exhibited a heightened sense of caution towards assuming risks. Consequently, this prevailing circumstance has presented a formidable barrier for aspiring entrepreneurs, including those operating in the micro, small, and medium enterprises (MSMEs) sector, as they endeavour to secure fresh funding for their projects (Domeher et al. 2017). Hence, crowdfunding serves as a strategic mechanism for fundraising in the context of new initiatives, and it is increasingly gaining prominence within the financial sector. The utilization of crowdsourcing as a means of obtaining capital has experienced significant growth, emerging as a viable alternative method of financing for various innovative product and service concepts.

According to Zvilichovsky (2018), crowdfunding has emerged as a progressively favored means of financing, enabling entrepreneurs to secure funds for the development of novel products and
services. Crowdfunding facilitates business model innovation by allowing businesses to establish consumer contracts prior to making investments. In their study, Li et al. (2019) classified crowdfunding into three primary categories of feedback, which include reward-based crowdfunding, microfinance crowdfunding, and equity-based crowdfunding.

Crowdfunding serves as a viable alternative to more affordable financing options, enabling small entities that typically face challenges in securing loans from conventional sources to gain access to financial capital. (Agrawal et al., 2015; Bruton et al., 2015; Lelo de Larrea et al., 2019).

The viewpoints and research discoveries of scholars, bolstered by additional expert assertions, suggest that in rural regions, there is a necessity to identify novel approaches and new sources of funding by engaging local communities. Future investigations should delve deeper into how public organizations can effectively leverage communities and their members for innovative financing methods, including crowdfunding, to support entrepreneurial funding initiatives. (Josefy, Dean, Albert, and Fitza, 2017; Carnes, 2019).

2.3. The Concept of Innovation
The notion of innovation under the framework of The Village-Owner Enterprise Agency has a comprehensive outlook that extends beyond economic considerations to encompass social and environmental dimensions. At the context of research on the growth of competitiveness at Village-Owner Enterprise Agency, innovation plays a crucial role in harnessing current advantages and attaining new ones. Innovation necessitates a willingness to relinquish established routines and embrace novel concepts (Tsai and Yang, 2014). This notion is commonly understood as the company's strategic focus on technological advancement, innovation in product and service offerings, and optimization of manufacturing and other operational procedures to gain a competitive edge (According to the study conducted by Dibrell et al. in 2014). The process of innovation commences with the conception of an idea, progresses through the stages of invention development, and culminates in the implementation of a novel product, process, or service (Thornhill, 2006).

Previous study has identified various categories and types of innovation, including but not limited to behavioural innovation, social innovation, and strategic innovation. However, based on the findings of numerous prior studies, it is widely acknowledged that product innovation and process innovation are commonly recognized as the primary classifications of innovation. (Akgünet et al., 2014; Cefis and Marsili, 2012; Mavondo et al., 2005).

Product innovation is primarily concerned with markets and customers, aiming to develop new or improved products that meet their needs and preferences. On the other hand, process innovation is centered around enhancing internal company processes and achieving greater efficiency in operations (Alegre and Chiva, 2013). The relationship between product innovation and process innovation is intricately connected to the fundamental operations of an organization. According to the study conducted by Naranjo Valencia et al. (2010). Process innovation is defined as the implementation of novel and inventive approaches to conducting corporate tasks (Akgün et al., 2014). According to Bradley (2020), the business model encompasses both
product innovation and process innovation.

Social innovation refers to a novel approach in addressing social issues, characterized by enhanced effectiveness, efficiency, and sustainability. It aims to provide comprehensive answers to societal challenges, prioritizing the collective well-being rather than focusing solely on individual needs. (Phills et al., 2008; Varadarajan, 2018).

2.4. The Concept of Business Model
The conceptualization of a business model has undergone modifications and adaptations that correspond to diverse operational elements and strategic approaches. A business model may be described as a systematic arrangement of information and transactions that culminate in the generation of value and revenue for the many entities engaged in the process (Timmers, 1998; Weill and Vitale, 2001). Alternative interpretations of the business model see it as a fusion of narrative and quantitative data. The narrative elucidates the correlation between actors and acts, whereas the numerical data delineates the intricacies pertaining to costs and various forms of income. (Magretta, 2002).

According to Osterwalder and Pigneur (2010), a business model can be defined as the integration of value proposition, value production, value delivery, and value capture, and according to Amit and Zott (2001), a business model can be described as the integration of transaction content, structure, and governance, with the objective of generating value by capitalizing on business opportunities.

Evans et al. (2017) have identified society and the environment as significant stakeholders in the context of sustainable business models. Additionally, Bradley et al. (2020) have posited that the notion of value in business models extends beyond mere financial gains or profitability, encompassing social, economic, and environmental dimensions. It is evident that the notion of business models has undergone a transformation, expanding beyond its traditional economic connotations of generating profits through value creation. It has now encompassed social and environmental dimensions as well.

2.5. The concept of competitiveness
According to the Global Economic Forum Report for the years 2016-2017, competitiveness is characterized as a collection of institutions, policies, and factors that have a crucial role in determining the levels of production. (Schwab and Sala-i-Martin, 2016). The literature suggests that competitiveness can be influenced by both controllable and uncontrollable elements within a corporation (OECD, Latruffe, 2010; Hougard et al., 2019).

The presence of empirical evidence suggests that organizations operating in a context characterized by rapid growth and change must possess certain capabilities in order to effectively navigate their environment. These capabilities include the ability to respond quickly, adapt product designs flexibly, and demonstrate innovation and management skills to effectively coordinate both internal and external competences (Teece et al., 1997; Zapata et al., 2016). Therefore, a business model that prioritizes the ongoing enhancement of the company and the
introduction of innovative processes and routines to enhance competitiveness will enable the organization to cultivate its capacity to proactively anticipate and efficiently address evolving surroundings and the requirements of stakeholders.

The empirical research in the field of strategic management has demonstrated that the establishment of effective corporate competitiveness plays a crucial role in influencing an enterprise's capacity to generate value and wealth for its stakeholders. Furthermore, it has been observed that an organization's ability to manage its resources effectively is a key determinant of the level of competition it can achieve (Kitchenham, 2007; Lafuente, 2019). To enhance competitiveness in an environment that poses obstacles to meeting society's pressing demands, it is imperative for a firm to possess the ability to sustain dependable and steadily expanding business and industrial operations. This serves as a crucial requirement for maintaining the company's long-term viability. (Denis and Bourgault, 2003; Singh, 2018).

In this particular setting, it is imperative for VOEA, as a village enterprise, to possess a heightened awareness in strategically assessing their organizational structure. This entails avoiding a localized focus or the development of excessively limited specializations. (Urbonavicius, 2005; Singh et al., 2007).

Village entrepreneurship encounters many limitations such as resource scarcity, a horizontally structured organization, limited technical proficiency, insufficient innovation, and knowledge attrition. The absence of hierarchical levels within an organizational structure can sometimes lead to employee dissatisfaction, since it typically hinders their ability to achieve their short- and medium-term professional aspirations. Hence, in organizations possessing local operational capabilities, the recruitment of highly skilled personnel may prove challenging, and the subsequent task of retaining such individuals may be even more arduous. (Ghobadian and Gallear, 1996).

2.6. The research hypothesis is formulated as follows:
Based on a comprehensive examination of the existing scholarly literature pertaining to the association between variables, the present study aims to formulate the hypothesis in the following manner:
Hypothesis 1: Entrepreneurship has a positive and significant influence on business models.
Hypothesis 2: Crowdfunding has a negative and significant impact on business model.
Hypothesis 3: Innovation has a significant and positive impact on the business model;
Hypothesis 4: Innovations have a positive influence and a significant effect on competitiveness.
Hypothesis 5: Crowdfunding has a strong and positive effect on the competitive model.
Hypothesis 6: Innovation has a positive and significant impact on competitiveness
Hypothesis 7: Business models have a positive and significant impact on competitiveness.
3. METHODS OF RESEARCH

3.1. The research designs
This study applies quantitative research methodologies, specifically integrating descriptive-quantitative analysis techniques to analyze primary data. The analysis of primary data is conducted utilizing SEM (Structural Equation Modelling) techniques via the AMOS software. Following the completion of the quantitative analysis, the subsequent researcher engages in the process of triangulating the data obtained from the results. This is achieved by validating the findings with the selected stakeholder through the utilization of the interview approach. The researchers developed a set of guidelines for conducting interviews and checklists for data collection.

3.2. Methodology for Sampling
A total of 152 respondents were included in the study conducted in the projected West Java region. The sampling approach employed was Cluster Sampling, which was chosen to ensure representation from various data sources across a wide geographical area. Moreover, taking into account the frequency of occurrences and geographical distribution, the subsequent sample will be determined by the utilization of stratified random sampling. Specifically, samples will be collected from all the districts within the West Java Province.

In the context of sampling, researchers employing the Cluster Sampling technique encounter a challenge wherein they lack precise knowledge regarding the specific characteristics of the population under investigation. This limitation arises due to the dispersion of the population throughout a vast geographical expanse. Hence, the researchers are limited to selecting a sample from the region, consisting of clusters that are progressively defined. This type of sampling, known as inclusion sampling, allows researchers to capture the overall characteristics of the research subject within a population, based on the attainable objectives of the study According to Nursalam (2003: 96).

The sample utilized in this study is comprised of VOEA units in West Java that are registered with the Ministry of Rural Affairs of the Republic of Indonesia and have not yet been categorized. It is important to note that the researchers did not select samples based on specific characteristics that align with the specified categorization. This approach may introduce bias in identifying the intrinsic characteristics of the sample, as well as create uncertainty and information asymmetry.

4. THE FINDINGS AND SUBSEQUENT ANALYSIS
The standardized solution for the Structural Testing Model is being discussed. The statistical significance of the influence between hybrid variables.
4.1. The Influence of Entrepreneurship on Business Models

This study provides empirical evidence supporting the notion that entrepreneurship exerts a favorable and statistically significant impact on the business model. The emergence of VOEA as a recently established rural business institution has led to a significant emphasis on the entrepreneurial side, which has subsequently spurred the development of diverse business models.

One of the primary factors affecting entrepreneurship and its impact on the business model is the alignment of the VOEA business model with the specific requirements and demands of the local community. By employing such cognitive processes, the conceptualization of business ideas and their subsequent implementation through entrepreneurial endeavors will persist as a dynamic and indispensable force within the context of local community requirements. This aligns with the theoretical framework of sustainable entrepreneurship as proposed by Yepez (2019). In order to ensure the long-term viability of the enterprise, the VOEA business model will consistently align with the requirements of the local village community.

4.2. The Influence of Crowdfunding on Business Models

Crowdfunding serves as an alternate fundraising strategy for Village-Owned Enterprises to secure financial support from the local community by engaging them in the objectives of the firm. This fosters a symbiotic relationship between the VOEA business model and the societal aspirations. The notion of financing through crowdfunding is a relatively recent phenomenon, thus its integration into societal norms remains limited. Hence, the results indicate that the impact of crowdfunding on the business model is negligible, mostly due to the lack of consensus and comprehension of the VOEA business concept among stakeholders.
Prior studies have indicated that a notable drawback of VOEA is the suboptimal utilization of the village's potential, resulting in a stagnation of innovative business ideas. This suggests that the management of VOEA has not adequately considered strategies to secure funding in order to unlock the village's potential and propel the business model forward. However, the potential of utilizing a crowdfunding approach is expected to become more significant in the coming years for small communities who have obstacles in obtaining traditional sources of finance.

The empirical evidence suggests that VOEA that engage in loan savings activities have enhanced capacities and performance compared to VOEA that do not partake in such commercial operations. The utilization of loans for VOEA represents a manifestation of equity crowdfunding within the realm of business operations.

4.3. The Influence of Innovation on Business Models

This study examines the impact of innovative variables on the business model of VOEA, highlighting their significance in relation to entrepreneurship and other aspects in the overall evolution of the business model. This implies that the innovation endeavours of VOEA are impeded by the constrained capacity of VOEA to engage in innovation.

The internal challenges faced by VOEA, particularly in relation to financial matters, have led to missed opportunities for innovation within its business model. The vast majority of innovation in West Java has not been effectively implemented, resulting in a lack of impact on business models. Uncertainties in the actions of VOEA are significant factors that impede the progress of innovation.

4.4. The Influence of Entrepreneurship on Competitiveness

This study examines the potential impact of the entrepreneurship variable on the establishment of VOEA, which are emerging economic institutions that have yet to significantly contribute to enhancing competitiveness. The competitiveness of VOEA is influenced by various factors, including the competency of its Human Resources, the extent of continuous improvement efforts, and the reach of its services. However, it is observed that the current level of these aspects is very low. Therefore, in order to promote competitiveness, it is necessary to strengthen these areas. The level of competition among VOEA enterprises at both the local and regional levels is very high, resulting in a relatively low level of competitiveness for VOEA. The implementation of collaborative networking capabilities is strongly advocated for the purpose of fostering competitiveness growth. However, it is observed that their implementation is now lacking. The successful operation of VOEA necessitates the establishment of a collaborative network to enhance the innovative capacity of its organization.

4.5. The Influence of Crowdfunding on Competitiveness

One of the key conclusions of this study is that it provides empirical evidence supporting the notion that crowd funding exerts a positive and statistically significant influence on competitiveness. The contemporary business model adopted by VOEA can benefit from alternative financing mechanisms within the local community. VOEA employs micro-finance crowdfunding, specifically equity crowdfunding, to generate funds from public deposits in order
to support its entrepreneurial endeavours.

Currently, VOEA prioritize the establishment and operation of business models, which are heavily reliant on financial resources. The utilization of crowdfunding as a strategy holds significant potential for VOEA in enhancing the efficacy of its savings and loan business model, hence bolstering its competitive advantage.

Equity crowdfunding has developed as a novel avenue for securing financial support for ideas and technologies. It has promise as a means to finance entrepreneurs, democratize investment opportunities, and foster economic growth (Yasar, B., 2021).

The establishment of VOEA can provide opportunities for the exploration of alternative financial markets, which encompass various capital-raising endeavours beyond the purview of conventional financial organizations, including banks and cooperatives. Rural village communities can effectively utilize various capital raising alternatives, such as VOEA, to foster the development of company ideas and innovations inside their localities.

4.6. The Influence of Innovation on Competitiveness

The VOEA in West Java is yet to initiate the process of innovation. The VOEA organization has not yet implemented the necessary protocols for its own products. Specifically, two key aspects are lacking: 1) VOEA has not yet devised a novel business model, and 2) There is a lack of distinction between the existing products and any future products that may be introduced. 3) The absence of service innovation has been seen. 4) Currently, there does not exist a novel market to effectively target and engage with prospective clients. 5) The culture of employment and reduction of unemployment has not witnessed any discernible improvement. 6) The absence of a network for enterprise cooperation is evident. 7) Policymakers have not demonstrated any notable innovation in their policies.

Among the eight characteristics considered, the state of VOEA in West Java is perceived by the majority of respondents to be lacking in several key aspects. Notably, the largest deficiency lies in the absence of a novel business model, the absence of a distinctive superior product from the village, and the absence of a well-established network of firms. The failure to innovate is evident in the VOEA (Village-Owned Enterprises) in West Java. The impact of these three dimensions on competitiveness is substantial. The present study examines the circumstances under which innovation does not exert a significant impact on competitiveness, owing to several factors.

First, the study lacks information regarding the instructional features of the respondents. Additionally, there is an asymmetry in the available information about VOEA in West Java. It should be noted that the categorization of VOEA has not been officially codified by key stakeholders. Furthermore, the utilization of the area sampling strategy, as elucidated in the research methodology section, enables respondents to possess distinct characteristics. Numerous scholars posit that the inherent traits, unpredictability, and information asymmetry associated with innovative ventures frequently contribute to their failure (Amara, D'Este, Landry, & Doloreux, 2016; Holzl & Janger, 2014; Mancusi & Vezzulli, 2014).
Furthermore, it should be noted that while innovation plays a crucial role in corporate performance management (Ferreira, et al., 2019), there may be instances where organizations face constraints or opt not to engage in innovative practices (Ferreira, Fernandes, & Ferreira, 2019; Kodama, 2006, 2009). The existing body of research predominantly concentrates on examining the factors that contribute to business failure, so neglecting the significance of innovation failure as a catalyst for inventive endeavors (Ferreira et al., 2019). In this particular instance, the lack of success seen by VOEA innovation in West Java, as observed both via empirical evidence in the field and research analysis, has the potential to serve as a catalyst for future innovation endeavors.

Thirdly, notwithstanding the advantages associated with the occurrence of innovation failure, the underlying inquiry pertains to the reasons behind the lack of innovation among numerous VOEA. These choices are associated with diverse categories of risks and uncertainties that contribute to elevated rates of failure. The existing conditions of VOEA exhibit a correlation with circumstances characterized by ambiguity and a multitude of dangers, which have significantly contributed to the persistently high rate of failures.

In addition, the researchers claim that the challenges encountered by VOEA in managing external pressures finally draw attention to their incapacity to fulfill market demands, thereby prompting firms to initiate a profitable discovery process. In light of the ongoing COVID-19 pandemic, certain industries such as breweries and refineries have made a strategic transition in their production processes by shifting their focus towards manufacturing hand sanitizers. Hence, upon retrospective analysis of the prevailing health situation, it becomes evident that it engenders certain advancements. For instance, advancements in pharmaceuticals and medical equipment, enhancements in healthcare protocols, innovations in manufacturing and supply chain management, and novel approaches to collaboration. According to Clark (2020), The occurrence of innovations in turbulent environments or unpleasant events gives rise to a phenomenon wherein organizations acquire knowledge that creativity is the sole means of addressing market problems and failures (García-Quevedo, Segarra-Blasco, & Teruel, 2018; Leoncini, 2016).

Furthermore, the researcher asserts that the acquisition of knowledge and information through VOEA organization learning remains crucial. According to Amarakoon, et al (2018), scholars contend that the incorporation of information within the process of innovation can significantly influence the activities undertaken by organizations. Hence, the acquisition of knowledge and information plays a crucial role in enabling VOEA (Village-Owned Enterprises) in West Java to overcome their stagnant state and foster the development of new talents.

The final factor in comprehending the relationship between innovation and the competitiveness of VOEA in West Java pertains to the limited operational experience of VOEA in the region. Specifically, the operational activity of VOEA in West Java has not exceeded a duration of five years.

The field of management theory places significant importance on the crucial connection between
innovation and operational experience in order to attain and maintain a competitive edge (Brockmand & Morgan, 2003; Darroch & McNaughton, 2002; Ferreira, Fernandes, Alves, & Raposo, 2015).

4.7. The Influence of Business Models on Competitiveness
The findings of this study indicate that there is no significant impact of business models on competitiveness. However, it is worth noting that prior research has demonstrated the potential of business models to generate competitive advantages and enhance performance. Despite this, numerous Small and Medium Enterprises (SMEs) struggle to achieve desired outcomes when attempting to innovate their business models. This can be attributed to challenges such as organizational function ambiguity, uncertainty, and a reluctance to take risks, as the transformation of a business model represents a fundamental process within SME operations (Lativi et al., 2021).

Based on the findings of Ibrahim and Iwan Sutarna's (2018) research on VOEA, it is evident that the VOEA institution exhibits certain limitations. Specifically, there exists ambiguity surrounding the roles and responsibilities of the various stakeholders involved, as well as inadequacies in the management patterns employed to address the challenges encountered by the rural community. There are three distinct challenges associated with the development of VOEA, namely:

Firstly, the topic at hand pertains to organizational arrangements. The implementation of organizational structures is crucial for the efficient operation of a corporation. Effective management of the organization plays a pivotal role in facilitating the advancement and growth of the firm. Several VOEA have had challenges in their development, primarily attributed to inadequate organizational structures inside the VOEA. Despite the establishment of the VOEA management, the manager's execution of basic responsibilities and functions (tupoxy) has been inadequate.

Furthermore, the issue at hand pertains to the exploration and enhancement of the village's inherent capabilities. A village can be defined as a geographical entity including a collection of households, wherein each household operates under its own system of governance, typically overseen by a designated village leader. Every village possesses the capacity for development, whether it is in terms of natural resources such as natural tourism and agriculture, or in terms of human resources such as handicrafts, services, and other economic potentials.

The task of harnessing the potential of a rural community might be deemed arduous, as it entails the complex endeavor of fostering collective engagement towards village development. A significant portion of individuals exhibit a lack of willingness to foster the growth and advancement of the village due to a multitude of factors. Hence, it is crucial to implement socialization and shared decision-making (SDM) training in order to modify individuals' cognitive processes, enabling them to collectively harness the potential of the community.

Thirdly, the matter of promotion arises. Well-managed and high-performing VOEA frequently
encounter challenges in terms of promotional efforts. The lack of effective advertising has hindered the proper distribution of the village's untapped potential, hence preventing the transformation of this potential into a marketable commodity, which would have been available at no cost.

In addition to the aforementioned challenges, it is worth noting that the current scope of VOEA enterprises remains predominantly local and operates within a relatively limited economic scale, so hindering their ability to effectively engage in broader business competition. Furthermore, it is noteworthy that the attributes associated with VOEA enterprises are well aligned with the concept of competitiveness. This implies that the VOEA business model requires further refinement and enhanced collaboration across VOEA entities, through replicating successful BUMDE enterprises. This collective effort aims to bolster competition within the broader societal marketplace.

5. CONCLUSION
Entrepreneurship plays a pivotal role in fostering the sustainable development of VOEA business model concepts in the future. The significance of entrepreneurship in driving the transformation of VOEA (Village-Owned Enterprises) in West Java cannot be overstated. The aforementioned concept holds significant importance and serves as a valuable framework for the effective administration of VOEA, enabling both immediate and long-term transformative measures. In order to ensure the sustainability of entrepreneurship, it is imperative that the VOEA business model aligns with the needs and goals of the local village community, as well as the existing potential within the village.

Entrepreneurial creativity for the human resources of VOEA in West Java should be grounded in the needs and aspirations of the village community. By aligning entrepreneurship creativity with the dynamic village community's aspirations and needs, it becomes possible to fully harness the potential of the village.

The study's findings indicate that enhancing the quality and quantity of the crowdfunding model is essential for promoting sustainable entrepreneurship and enhancing the competitiveness of VOEA in West Java. This improvement is crucial for ensuring the long-term viability of VOEA.

6. THE SIGNIFICANCE OF THE STUDY
The findings of this study can serve as a foundation for developing policies aimed at enhancing the financing aspects of VOEA, with a specific focus on mobilizing community participation to support the growth of enterprises that align with the needs of the local village community.

The village administration has the authority to publish the Village Regulations, with the objective of facilitating the generation of capital for the community, and to regulate the relocation of business BUMDE in accordance with their desired outcomes. This implies that there exists a potential for mutual synergy and benefit between the village community, VOEA (Village-Owned Enterprises), and the village government.
Crowdfunding has emerged as an established approach for enhancing competitiveness and bolstering village firms by means of financial support. The implementation and continuing improvement of the finance structure of VOEA, via the active engagement of the village population, is vital.

The release of the VOEA manager's mandate from the term of the Chief of the Village by the Regional Government is necessary in order to ensure the sustainability of the business model and enhance competitiveness. Furthermore, it is imperative to provide training for the human resource management competencies of the youth group responsible for managing the VOEA. Additionally, it is imperative to take into account the management remuneration system of VOEA in order to bolster the performance and concentration of Human Resources in effectively managing VOEA.

REFERENCES


http://ijbmer.org/
Study BUMDes Cilongok.


Karlan, D.S., 2007. Social connections and group banking. Econ. J 117 (517), 52–84


http://ijbmer.org/


Steffen, W., Richardson, K., Rockstrom, J., Cornell, S. E., Fetzer, I., Bennett, E. M., … Sorlin, S.


