

## **Assistance in the Issuance of Business Identification Number on Micro-Enterprises**

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### **Abstract**

This program aims to educate micro-entrepreneurs about the importance of having a Business Identification Number (NIB) and to disseminate information on the benefits associated with obtaining an NIB. Additionally, the program seeks to assist micro-entrepreneurs in acquiring their own NIBs. The activities conducted include observation, education, and mentoring for micro-entrepreneurs in the Karanglewas District. A total of twenty micro-entrepreneurs participated in the mentoring program until its completion. As a result of this program, there has been a significant increase in understanding and awareness among micro-entrepreneurs regarding the importance of having an NIB. Equally important, the participants successfully obtained their NIBs after the mentoring sessions.

*Keywords: Assistance, Micro-Enterprise, Identification Number*

### **1. INTRODUCTION**

Business legality is an essential aspect often overlooked by micro-entrepreneurs. In reality, having business legality, such as a Business Identification Number (NIB), provides numerous significant benefits, both for business development and for the economy as a whole. For micro-entrepreneurs, business legality is not merely a formality, but a legal recognition that offers protection and certainty in conducting business activities (Elvlyn and Marhaen, 2022).

In Indonesia, the micro-enterprise sector plays a crucial role in the national economy (Hidayat et al, 2022). According to data from the Ministry of Cooperatives and SMEs, more than 64 million business units in Indonesia fall under the micro-enterprise category. However, many of them lack adequate business legality. This is due to various factors, such as a lack of understanding of licensing procedures, uncertainty regarding the costs involved, and limited access to information.

The lack of business legality can lead to several negative impacts, such as difficulties in accessing financing from financial institutions, limited opportunities to partner with large companies, and vulnerability to legal issues ([kontrakhukum.com](http://kontrakhukum.com)). Therefore, it is crucial for micro-entrepreneurs to obtain legitimate business legality, enabling them to grow their businesses more securely and sustainably (Hutagulung and Parhusip, 2024).

Moreover, business legality provides various benefits, such as access to government assistance programs, ease in marketing products, and increased business competitiveness. In this context, the Business Identification Number (NIB) serves as an essential instrument that every entrepreneur must possess. The NIB not only functions as a legitimate business identity but also serves as a gateway to obtaining various other business permits ([dinkop-umkm.jatengprov.go.id](http://dinkop-umkm.jatengprov.go.id)).

Given the importance of business legality, a mentoring program for NIB registration for micro-entrepreneurs is highly relevant. This program aims to provide understanding, training, and technical assistance to micro-entrepreneurs so they can independently manage their business legality. It is hoped that, through this program, micro-entrepreneurs can

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develop more easily and make a greater contribution to the economy, especially in the Karanglewas District.

Micro-entrepreneurs in the Karanglewas District still face various challenges related to business licensing, particularly obtaining a Business Identification Number (NIB). One of the main issues is the lack of knowledge and understanding of the importance of having an NIB. Many micro-entrepreneurs believe that business legality is unnecessary due to the small scale of their enterprises. In reality, the NIB is a fundamental requirement for gaining various benefits, legal protection, and access to government programs that can support their business development.

In addition to the lack of understanding, technical barriers also pose significant challenges. The NIB registration process is conducted online through the Online Single Submission (OSS) system, which requires internet access and technological devices such as computers or smartphones. Unfortunately, not all micro-entrepreneurs have such access, especially in rural areas or regions with limited digital infrastructure. This situation makes it difficult for them to complete the registration independently without assistance from others who are more familiar with technology.

Another common issue is the ambiguity of procedures and requirements that must be met. Although the government has made efforts to simplify the licensing process through the OSS, many entrepreneurs are still confused about the steps they need to take and the documents required. This ambiguity often makes them reluctant or hesitant to apply for an NIB, leaving their businesses operating without legitimate legality. Consequently, they cannot access various facilities available only to registered businesses, such as capital assistance and business training.

Time and resource constraints also pose challenges for micro-entrepreneurs in managing their NIB registration. Most of them run their businesses independently or with family help, which consumes most of their time for daily operations. Handling a licensing process perceived as complicated and time-consuming often does not become a priority, especially if they feel their business is running well without an NIB. However, without clear legality, their businesses are vulnerable to enforcement actions by authorities and may struggle to grow further.

Finally, trust issues and social stigma also contribute to the low NIB ownership among micro-entrepreneurs. There is a perception that managing business permits will only add to their burdens and open opportunities for extortion by irresponsible parties. This negative perception makes many entrepreneurs reluctant to manage their business legality. Therefore, a comprehensive approach through intensive education and mentoring is needed to change this mindset, so that micro-entrepreneurs can better understand the benefits of having an NIB and be willing to manage their business legality properly.

The information, data, and problems presented above serve as the academic rationale for the author to take action to address these issues. Thus, it is necessary to conduct mentoring for NIB registration for micro-entrepreneurs in the Karanglewas District.

## **2. METHOD**

The mentoring program for obtaining Business Identification Numbers (NIB) for micro-entrepreneurs in the Karanglewas District is carried out through several sequential and systematic stages. The stages of this program are as follows:

### **a. Observation**

Field observation is a crucial method for directly understanding the conditions, potential, and challenges faced by micro-entrepreneurs, particularly concerning the ownership of a Business Identification Number (NIB). Through field observation, service teams or researchers can personally witness and experience the realities on the ground, which often differ from assumptions or secondary data. By visiting micro-enterprise

locations, observations provide a deeper understanding of the obstacles entrepreneurs face in obtaining an NIB, such as access to technology, familiarity with the OSS system, and administrative difficulties that may not be captured in formal surveys. Field observation also facilitates direct interaction with entrepreneurs, enabling researchers to gather rich qualitative information, such as their motivations, perceptions, and personal experiences regarding business legality.

Additionally, field observation plays an essential role in identifying the potential of micro-entrepreneurs. By directly understanding their products, services, and marketing strategies, researchers can assess how business legality, such as owning an NIB, can support the development of these enterprises. For instance, field observations can reveal opportunities for micro-entrepreneurs to expand their markets or gain business partners if they have a valid NIB. With this understanding, the mentoring team can design more targeted interventions, such as customized OSS data entry training or guidance on utilizing the NIB to access government financing and promotion programs. Thus, field observation not only identifies problems but also serves as a foundation for formulating comprehensive solutions based on the real needs of micro-entrepreneurs.

b. Education

Education for micro-entrepreneurs on the importance of obtaining a Business Identification Number (NIB) is essential for them to understand the benefits and protection provided by business legality. NIB is not merely an identification number but also proof that their business is recognized by the government and can operate legally. By having an NIB, micro-entrepreneurs can more easily access various facilities, such as capital assistance from banks, training programs, and entry into broader markets. Without an NIB, they will struggle to access these opportunities due to the lack of clear legality.

Furthermore, educating micro-entrepreneurs about NIB is crucial to prevent them from facing legal issues in the future. Businesses without official permits are vulnerable to enforcement actions by authorities and may be subject to penalties. This can be detrimental to entrepreneurs, especially if they have already invested significant time and resources into their businesses. With a solid understanding of NIB, micro-entrepreneurs can operate their businesses with greater peace of mind and focus on business development without worrying about legal issues or licensing obstacles.

c. Assistance

The mentoring process for obtaining a Business Identification Number (NIB) for micro-entrepreneurs begins with a socialization session on the importance of having an NIB. The mentoring team provides an explanation of what NIB is, its benefits, and the steps required to obtain it. Next, training is conducted on how to register for an NIB through the Online Single Submission (OSS) system. During this training, entrepreneurs are taught how to fill out personal information, business details, and other required documentation. For those unfamiliar with technology, the mentoring team offers step-by-step guidance until they understand the process.

After the training, the mentoring team provides individual assistance to entrepreneurs who encounter difficulties, such as data entry errors or technical issues while using the OSS system. The team ensures that each entrepreneur under guidance can complete the registration process and obtain their NIB. With this mentoring support, it is expected that micro-entrepreneurs will achieve legitimate business legality, which will help them develop their businesses and access various support facilities from the government.

**3. RESULT AND DISCUSSION**

In general, the stages of the implementation of this community service program are presented in the table below:

No	Method		Indicators
	Step	Activities	
1	Observation	Observation and identification problems and opportunities	Team already formed
2	Education	"Conducting outreach and education for participants to ensure they gain a comprehensive understanding of the importance of having a NIB (Business Identification Number) for business operators."	Participants have a good understanding of the importance of having a Business Identification Number (NIB) for business operators.
3	Assistance	"Providing guidance on the practice of creating a Business Identification Number (NIB) to all participants."	All participants have Business Identification Number (NIB)

Through the implementation of community empowerment, several outcomes can be achieved as follows:

No.	Activities	Output
1.	Observation	<ul style="list-style-type: none"> <li>a. Identification of issues faced by partners</li> <li>b. Opportunities identified within partners</li> <li>c. Understanding the conditions and number of partners</li> </ul>
2.	Education	<ul style="list-style-type: none"> <li>a. The material on the importance of having a Business Identification Number (NIB) has been delivered.</li> <li>b. Participants understand that micro-business operators are required to have an NIB.</li> <li>c. Participants or partners understand the various benefits of having an NIB.</li> </ul>
3.	Assistance	<ul style="list-style-type: none"> <li>a. Participants practice creating an NIB</li> <li>b. Participants have an NIB</li> </ul>

Field observations were conducted to explore the challenges faced by micro-entrepreneurs in the Karanglewas District. Based on interviews and discussions with several entrepreneurs, several key issues were identified. Firstly, many entrepreneurs do not yet have a Business Identification Number (NIB), which makes it difficult for them to access funding from banks or other financial institutions. In addition, a lack of knowledge about digital marketing poses another obstacle, especially in today's technological era. Most entrepreneurs rely solely on direct sales without utilizing broader online platforms. The findings from these observations indicate that many micro-entrepreneurs are unaware of the NIB, meaning they do not possess one.

Educational activities were carried out to inform micro-entrepreneurs in the Karanglewas District about the importance of having an NIB. During these sessions, it was explained that the NIB is an official identity issued by the government for every business owner. By having an NIB, entrepreneurs can access various services that facilitate business development, such as access to capital, business licenses, and government support in the form of training or other assistance.

Through these educational sessions, participants also learned that the NIB is not just an administrative document but provides long-term benefits for their businesses. With an NIB, micro-enterprises are more likely to gain the trust of banks or other financial institutions, making it easier to obtain business loans. Additionally, the NIB is crucial for legal protection, ensuring that registered businesses are safer from legal risks in the future. With this information, participants gained a better understanding of the role of the NIB in maintaining the sustainability and growth of their businesses.



Figure 1. *Educating on the important of belonging NIB for business operator*

After the presentation, micro-entrepreneurs in Karanglewas showed great enthusiasm. Many of them realized for the first time how important it is to have an NIB, especially for gaining access to government programs and expanding their markets. They also understood that obtaining an NIB is the first step towards a more professional and sustainable business. The educational activities concluded with a question-and-answer session, where participants received practical guidance on how to obtain an NIB online.

Mentoring sessions were held to assist micro-entrepreneurs in the Karanglewas District in the process of obtaining a Business Identification Number (NIB). These activities aimed to help them understand and independently manage the NIB application through the government-provided online system. The first step involved guiding participants to access the OSS (Online Single Submission) website and fill out the necessary information, such as business details, owner identification, and the type of business activities.

The mentoring process was interactive, with most participants, who were unfamiliar with digital technology, receiving direct guidance from the team. Each step was explained in detail, from creating an account, filling out the registration form, to data verification. Participants who encountered difficulties or confusion during the data entry process received immediate assistance from the team, ensuring they completed the registration correctly and without any issues.

The results of this mentoring were very positive, as evidenced by the large number of entrepreneurs who successfully obtained their NIBs. Several participants expressed gratitude and appreciation because the mentoring not only helped them with the administrative process but also provided a better understanding of the importance of business legality. With

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an NIB, micro-entrepreneurs in Karanglewas are now better prepared to grow their businesses with the support of capital and other government programs.

#### 4. CONCLUSSION

In conclusion, the field observations and educational activities conducted in the Karanglewas District successfully highlighted the critical challenges faced by micro-entrepreneurs, particularly the lack of awareness and access to Business Identification Numbers (NIB). Through targeted mentoring sessions, participants gained valuable insights into the importance of NIBs for business growth and legality. The sessions not only provided practical guidance on obtaining NIBs but also empowered entrepreneurs with the knowledge needed to leverage government support and expand their market reach. As a result, many micro-entrepreneurs in Karanglewas are now better equipped to navigate the complexities of business registration and development, paving the way for a more sustainable and professional business environment in the region.

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