BUSINESS DIGITALIZATION THROUGH THE USE OF CHATBOT AND THE IMPLEMENTATION OF GOOD CORPORATE GOVERNANCE TO IMPROVE THE PERFORMANCE KOPMA "X"

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ABSTRACT

A student cooperative (Kopma) is a cooperative whose members, administrators and supervisors are students. Kopma X is one of the best Kopma in Indonesia in 2015. The decline in turnover began to occur in 2017 until now. There are even some business units that can no longer survive. The decrease in turnover occurred due to the increasingly fierce level of competition, business strategy and innovation, and governance were not paid attention to by the KOPMA management. Especially during the pandemic, business strategies must be changed due to the policies enactment of restrictions on community activities and online learning. For this reason, we do service at KOPMA X to help improve performance through the use of chatbots applications in service to students and potential consumers and the implementation of Good Corporate Governance. Chatbot applications are used to improve services so that students or consumers become easier and more satisfied with KOPMA services that will increase sales and performance. Meanwhile, good governance is carried out through the creation of good corporate governance (GCG) guidelines, socialization to the management and implementation in managing student cooperatives. The output of this service is a chatbot application to communicate with consumers about the registration of new members of KOPMA, information on products in KOPMA, etc and GCG guidelines as a reference to better manage KOPMA.

Keyword: *Chatbot, Good Corporate Governance, Performance, Recurrent neural network*

1. INTRODUCTION

The 1945 Constitution, especially Article 33 paragraph 1, states that the Indonesian economy is prepared as a joint effort based on the principle of kinship. This shows the position of cooperatives as a pillar of the national economy and as an integral part of the national economic system. Article 3 of Law No. 25 of 1992 concerning Cooperatives, confirms that the purpose of cooperatives is to advance the welfare of members in particular and society in general, as well as participate in building a national economic order, in order to realize a developed, just, and prosperous society based on Pancasila and the 1945 Constitution.

Student cooperatives (Kopma) are part of Indonesian cooperative actors. A student cooperative is a cooperative consisting of students of a certain college where the cooperative was established. The existence of Kopma is not only for business purposes, but also as a forum and learning tool for students in managing a business. Kopma as a forum for students to learn to operate in real-time at the college level. Kopma not only carries out economic activities to prosper its members, but also as a functional, idealistic, creative, and constructive institution to be part of producing cooperative cadres who are expected to be able to become the next generation in the development of the people's economy, especially cooperatives. Kopma as an education/soldering-based organization with businesses managed by students and consisting of students have a role to create a campus with entrepreneurial nuances and produce cadres with an entrepreneurial spirit. Thus, it is hoped that Kopma can make a positive contribution to the nation's economic development. Kopma as a campus organization has two strategic functions, namely the education function which always provides cooperative education for its members and the business function by providing optimal services to meet the needs of members.

According to Agus Muharram, Secretary of the Ministry of Cooperatives and SMEs, in 2018 the number of Student Cooperatives was 562 units, with 110,680 members, active KOPMA reached 359 units, inactive 203 units, while those who carried out RAT were 8 units. This is shows that the current condition of student cooperatives needs to make improvements, both from institutional and business aspects. Furthermore, Agus hopes that the Student Cooperative must be the leading force in creating professional and modern cooperative cadres and able to keep up with developments, so that it will be able to change the image of cooperatives in a society that is currently not considered. Furthermore, Teten Masduki, Minister of Cooperatives and SMEs said that the existence of Student Cooperatives (Kopma) is important in today's digital era. This is because Kopma can function as a Cooperative Laboratory that was born in the campus environment. Teten said that the Covid-19 pandemic is a momentum for the acceleration of cooperatives and MSMEs towards the digital economy, those who are connected to the digital ecosystem have more resilience in the midst of a pandemic (Kontan.co.id, 2021).

The development of the number of Kopma in the city of Bandung has decreased. The latest data in 2020 the number of registered Kopma is 29 but there are only 8 active ones (MSME & Cooperatives Office, 2020). The decrease in the number of Kopma occurred due to the large number of Kopma due to a large experienced relocation and dissolution of the Kopma organization itself, this was due to the poor performance of Kopma so the campus did not support the existence of Kopma as one of the student activity units. One of the Student Cooperatives in the City of Bandung is Kopma X. In this case, Kopma X has a dual function, namely as a vehicle for service and improving student welfare, as well as an educational vehicle, namely the place of formation of

cooperative cadres. In terms of business, the development of Kopma over the past few years has decreased. This can be seen from the decline in business volume and SHU (Remaining Business Results) every year.

According to Tjondro & Wilopo (2011), Corporate Good Governance (GCG) needs to be built and implemented GCG principles in the managerial process of a company to improve profitability and performance. GCG is implemented to build culture and raise awareness of parties related to cooperatives to pay attention to their responsibilities for the welfare of members (Subagyo, 2017). The welfare of cooperative members is the main thing that should be considered by the management. To be able to carry out their functions and roles that are so important for the economy, cooperatives must be managed properly so that they can improve their performance in a sustainable manner. Therefore, the State Ministry of Cooperatives and Small and Medium Enterprises intensively socializes GCG in cooperatives to with the community so that cooperative management can be carried out effectively and efficiently and does not cause losses to any party. The implementation of GCG principles has a strong relationship with the company's financial performance (Yahya and Shukeri, 2014). An effective GCG system has an influence on the company's probability (Fauzi & Suransi, 2016). The results of research by Pradnyaswari and Putri (2016), Subagyo (2017), Mulyadi (2019) also concluded that good corporate governance has a positive effect on cooperative performance.

Kopma X was born on the initiative of student activists who see the importance of a forum for developing the interests and welfare of students and the campus itself. Kopma was established under the deed of incorporation 518/BH.53-DISKOP/2004 on October 12, 2004 with a total of 44 members. With this formed management, the operationalization of Kopma X as one of the all-business primary cooperatives incorporated can run until now. The number of members currently reaches more than 3000 students. KOPMA X has the slogan PROTEST (Professional, Responsible, Efficient, and Prosperous) in carrying out its activities. The vision of Kopma is "Increase student competitiveness and the spirit of cooperative values and entrepreneurship in the student environment based on educational and scientific organizational conditions and striving to realize the organization as a business laboratory among students". Kopma X has eight business units as a means of learning and application of entrepreneurship education. Of the eight business units and currently five units are no longer operating because they have decreased sales turnover and there is no market share. As an agent of change, the management of Kopma should be able to innovate and be creative to develop their business. The decline in the number of business units in Kopma is the main problem of the decline in financial performance. The development of technology and increasingly fierce business competition can be anticipated and addressed by carrying out business creativity and innovation. Some a business unit is no longer in accordance with the current

conditions of information technology advances. The lack of innovation and creativity of Kopma management which has an impact on reducing business units is the main cause of the decline in Kopma's financial performance. Even though Kopma's market opportunities are still very broad and students numbering more than 3000 are a potential market for Kopma products. The financial performance of Kopma over the past three years has decreased. This can be seen from the development of SHU and Kopma assets which continue to decline. Whereas in 2015 Kopma X once received an award as the best Kopma at the national level. If conditions like this continue, it is possible that Kopma X will no longer survive.

The main problem faced by Kopma X is the decline in financial performance caused by digitization service and good corporate. Digitization of Services So far, the marketing of products sold at Kopma is carried out conventionally, namely by displaying products in existing places and paying in cash. Product marketing systems like this become unattractive among college students when there are other alternatives that are more practical and provide customer satisfaction. It was only during the pandemic that Kopma began to do online marketing but was still limited to certain products. Especially in the era of digitalization, digital-based marketing strategies are absolutely necessary. Likewise, for payment methods, it does not have to be through cash payments but can be used digital payment methods with ovo, Gopay, Shoopepay, funds and so on. No less important, all of this must be supported by digital services to the main consumers, namely students Starting from registration, payment of dues, distribution of product information and so on must be done digitally. This is in addition to improving services to consumers, but also as an effort to strengthen the existence of the Kopma business.

Good Governance Kopma is managed by student as the management of Kopma. The management of the cooperative is based on the Articles of Association and Bylaws (AD-ART) of Kopma with reference to several regulations that have been made. However, in management there are several problemsas (1) the management more often follows the steps and best practices of the previous management which sometimes conflicts with regulations (2) not all administrators have good integrity and commitment, (3) lack of coordination between units, (4) lack of coordination with supervisors and supervisors, (5) lack of quick response related to a problem. All of these problems are related to good governance and have an impact on the financial performance of cooperatives or SHU, which continues to decline.

Chatbots are service-based chat robots that use a set of rules, in some cases chatbots are also referred to as artificial intelligence to interact with users through chat interfaces (Van den Broeck, et al., 2019, Heo, M., & Lee, K. J., 2018). This chatbot can answer user questions 24 hours a day and has no time limit and as an interface between customers and companies (Quah, J. T., & Chua, Y. W., 2019). This chatbot will be one of the services to members and non-members of KOPMA who want to know about registration and

products in KOPMA. This chatbot was created by integrating one of the social media services, namely telegram by utilizing API (Application Programming Interface) technology. Heo, M., & Lee, K. J. (2018) state that Chatbots offer new opportunities for companies for business communication. The company expects cost savings and increased sales by providing chatbot-based services to their customers, such as providing responses to inquiries and fulfilling orders without time restrictions. With the creation of a chatbot, it is hoped that service and customer satisfaction will increase (Chung, M., et al., 2020). This opinion is supported by the results of research by Sanny, L., et al., (2020) and Cheng (2021) which stated that with the increase in consumer satisfaction, it is expected that Kopma's performance will increase. The purpose of this program is to create a chatbot application and governance guidelines for Kopma. This distribution program is expected to provide direct benefits for Kopma to be able to better manage Kopma through the use of chatbots to improve stakeholder services and through governance so that Kopma's performance increases.

2. METHOD

Based on the agreement with the partner, the problems that will be overcome are: Customer and member services using a chatbot application that will be used in telegram The implementation of good cooperative governance through the preparation of Good Corporate Governance guidelines. The following are presented the stages that will be carried out in Community Service activities:

2. 1. Early Stage

The carryout discussions with Kopma regarding the obstacles faced and establish agreements between partners and the STIE Ekuitas team.

2. 2. Implementation Stage

The following are several stages of implementation:

a. Good Corporate Governance (GCG) training
b. Chatbot training
c. Data and document collection
d. Assistance in creating chatbots and Good Corporate Governance (GCG) guidelines
e. Socialization of the use of chatbot applications and Good Corporate Governance (GCG) guidelines
f. Implementation of the use of chatbot Good Corporate Governance (GCG) guidelines

2. 3. Final Stage

Monitoring and evaluation of the use of chatbot applications and the implementation of Good Corporate Governance (GCG) guidelines

3. RESULT AND DISCUSSION

Community service activities are carried out as follows:

3. 1. Training on Creating a Chatbot Application

The training material starts with material on introducing chatbots, what are chatbots, what are the benefits of using chatbots in business, because using a company chatbot seems to have great customer service so that the service can be fast and is expected to increase turnover, by using a chatbot service can be realtime 24 hours. Furthermore, a discussion was conveyed on how to make a flowchart, because to make it easier to make a chatbot application, it is better to make the flow first so that it is clear that the stages that must be made for the chatbot later and the copywriting material is a technique of producing writing that makes readers give the respin we want this article to be called Copy. Copy is created so that readers start buying, registering, remembering, or doing other purposes that we want from our writing.

What a copywriter has to do is to know: (1) What – answer what is clearly conveyed,(2) Whom – to whom to go (segmentation, target, positioning), (3) How – how to describe it, language style, writing flow and communication story personal, interpersonal, interpersonal, artificial intelligence, (4) Where – get a style of language and writing based on the needs of print and electronic outdoor media, print media, radio media, TV and digital media or social media. Next, create a chatbot application by using an easy application that is WhatsAuto, with what auto we can create chatbots more easily without any technical knowledge or coding and connect with our social messaging application with just one click.

3. 2. Training on *Good Corporate Governance (GCG)*

Training on Good Corporate Governance (GCG) for Cooperatives was conducted on March 5, 2022. The training was conducted online via zoom meeting and was attended by Kopma management as many as 20 people. The training material began with a discussion of the scope and basic concepts of GCG. Good Corporate Governance needs to be carried out to manage cooperatives with the aim of (1) Optimizing the value of cooperatives in order to have strong competitiveness, both locally and nationally, so as to be able to maintain their existence and live a sustainable life to achieve the goals and objectives of the Cooperative; (2) Encourage professional, efficient, and effective management of cooperatives, as well as empower functions and increase the

independence of cooperative organs; (3) Encourage the Cooperative Organ in making decisions and carrying out actions based on high moral values and compliance with laws and regulations, as well as awareness of the cooperative's social responsibility to stakeholders as well as environmental sustainability around Kopma; (4) Increase the contribution of Cooperatives in the environment around cooperatives and in the national economy; (5) Improve the conducive climate in the environment around Kopma. Furthermore, a discussion was presented on the principles of GCG consisting of Transparency, Accountability, Responsibility, Independence, and Fairness as well as examples of the application of these five principles in managing Kopma. Then it was discussed how the implementation of GCG is related to the culture or values of cooperatives.

3. 3. Assistance in Making Chatbot Applications

Giving cellphones to create chatbot applications Giving cellphones and mobile phone numbers is carried out because so far Kopma has not had a mobile phone specifically used for student cooperatives, so far Kopma uses personal cellphones from its administrators. This chatbot application must not be combined with personal applications from student cooperative vandals so they must be given a cellphone that is specifically used for student cooperative purposes and for the chatbot application. The process of creating a chatbot application required to create a chatbot is whatsApp, whats auto, and google drive. Here are the steps that must be done in creating a chatbot: Downloading the WhatsApp Application Downloading the WhatsAuto Application Creating a database, the database can use excel or directly to google drive. Set up what auto Sign-in Uploading database Enable auto reply Set contact settings Use chatbot Add chatbot number to contacts Start a conversation with a chatbot.

3. 4. Assistance in Making GCG Guidance

The preparation of GCG guidelines begins with the collection of data and related documents as well as discussions with the appointed Kopma management regarding (1) the organizational structure of Kopma, (2) the job description of the management, (3) interested parties and the role of each party, (4) persons in charge of GCG implementation, (5) Kopma policies related to relationships with interested parties, (6) values and culture, (7) other matters related to GCG. The process of collecting data and documents is carried out for a month from the beginning of March to the beginning of April 2022. After all the data, documents, and information needed to compile the GCG guidance, the Kopma management accompanied by a service team consisting of lecturers and students began to prepare GCG guidelines. The discussion of the draft guidelines was carried out through active discussions between the management and the management

team which was carried out several times a month. Finally, the guideline document for Good Corporate Governance of Student Cooperatives was successfully prepared by containing information containing: (1) general provisions of GCG, (2) principles measurement of GCG, (3) Implementation of Safety and Employment opportunities and Environmental, (4) preservation the process of implementing GCG Practices, (5) guidelines in carrying out the Duties and responsibilities, (6) the Code of Ethics, (7) the Management of Relations with the Stakeholders of Information and (8) Asset Management.

3. 5. Implementation

At this stage, the implementation of the use of chatbot applications that have been prepared and the implementation of governance in accordance with the GCG guidelines that have been made are carried out. Before being implemented, the service team socialized GCG guidelines and trained on the use of chatbots. This activity was carried out on June 4, 2022 via zoom meeting and was attended by 21 administrators. In the implementation process, assistance is still carried out for approximately 2 months.
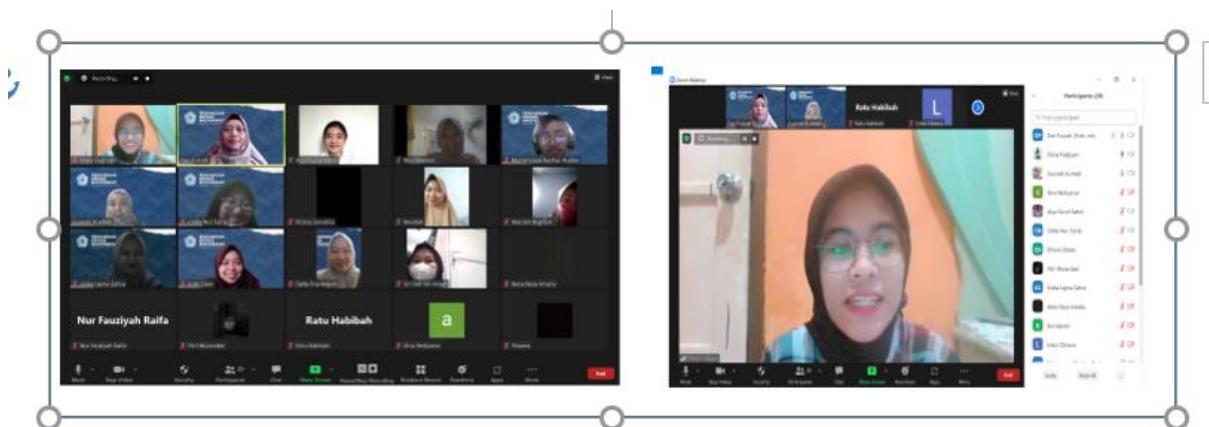
3.6. Monitoring and Evaluasi (Monev)

Monitoring and evaluation are aimed at monitoring the successful implementation of activities. The implementation of the chatbot program is said to be successful if it has an impact on increasing the satisfaction of consumers and interested parties and increasing the number of consumers served. Evaluation and monitoring of the monev Good Corporate Governance (GCG) is said to be successful if Kopma's governance becomes better, the commitment and integrity of the management also improves, and relations with stakeholders become better. The impact of the use of chatbot applications and the implementation of GCG will improve Kopma's performance both from financial

aspects such as increasing sales and SHU as well as non-financial aspects such as increasing customer and stakeholder satisfaction.

4. CONCLUSION

The problem faced by partners is the declining performance of Kopma so there is a need for a new strategy, namely (1) the creation of Chatbots to improve services and (2) the creation of governance guidelines to improve Kopma governance. This community service activity is carried out through (1) training on making chatbot applications and preparing Good Corporate Governance (GCG) guidelines, (2) assistance in making chatbot applications and GCG guidelines, (3) Socialization of chatbot use and GCG implementation, and (4) monitoring and evaluation. The use of chatbot applications and the implementation of GCG must be followed by a high commitment from all management so that the results can be maximized and Kopma's performance increases.

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