

FAILURE FACTORS AMONG YOUNG ENTREPRENEURS IN HIGHER EDUCATION INSTITUTION: A STUDY FROM TELKOM UNIVERSITY

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ABSTRACT

The purpose of this research was to determine factors that caused the failure of young entrepreneurs in Telkom University among the participants of 2016-2017 competition and exhibition. This research applied a quantitative method with a descriptive and explorative research type. Techniques of collecting data were using questionnaires. This research used the nonprobability sampling method that was saturated sampling because of all members of the population of 116 respondents in this research. Data analysis was using Principal Component Analysis (PCA). The results show the five new factors causing the failure among young entrepreneurs in Telkom University who participate in the Business Plan Competition and Creative Market Exhibition in 2017 are: (1) improper asset and marketing management, (2) unqualified entrepreneurial characteristics, (3) unwell anticipation of capital and regulation pressure, (4) financial and non-financial failures, and (5) ignored by the owner.

Keywords: failure factors, young entrepreneurs, higher education institution

INTRODUCTION

The phenomenon of entrepreneurship is now growing, Setiawan (2016) has reported that the increasing number of entrepreneurs in Indonesia is from 0,24% to 1,56% of the total population. Now in Indonesia, there is quite a lot of entrepreneurs and also SMEs (Small Medium-sized Enterprises) that are successful and able to produce promising benefits. Entrepreneurial activities also directly open employment; this can be seen with the increase of SMEs that absorb much manpower. According to the Chairman of the Board of Judges of DKI Jakarta Chamber of Commerce and Industry, Dhaniswara K Harjono, who says that Indonesia is the country with the most SME industry players, around 57,9 billion enterprises among Indonesia (Sari, 2014). SMEs in Indonesia also vary when viewed from the age group. Based on survey results of Marketing Research Specialist (MARS) in early 2012, the entrepreneurs of SMEs have begun to be dominated by people who are still relatively young. Among them have been running SME business since a relatively young age of 17-20 years with a percentage of 0,6% and SMEs in the age range 21-25 reach 3,9%. Starting a business should be from a young age, for instance, when aged 20-40 years.

Each age group has an interest in the type of business to be run. SME actors aged 21-25 years have been running small businesses with a percentage of 4,5% and medium businesses of 3,3%. SME actors who come from the productive age group and young tend to be interested in running a small business. With a small capital, there are quite a lot of types of business opportunities that can be run. They can start with online business, culinary, business in the field of services or businesses that rely on expertise, such as having the expertise to make various types of handicrafts. Kew et al. (2013) have reported that if it is viewed from another perspective of educational background, public perception

about the average SME entrepreneurs is a high school graduate. It turns out that the perception is wrong. Based on MARS survey results, the majority of SME actors actually have a fairly high level of education, because they are on average high school graduates or equivalent. The largest perpetrators of SMEs are the educational background of high school/vocational school with a portion of 45,8%. It is followed by graduates and postgraduates of 22,1%, junior high school graduates of 11,5%, academy/diploma graduates only of 10,5%, primary school graduates of 8,5%, and do not complete primary school of 1,6%.

An entrepreneur with higher education will have a step ahead of the mind and be able to think ahead of the plan and a good prospect to be implemented. With an adequate level of education, a person is more motivated to never give up on building a business. One's level of education is also related to the competitiveness of the person in entrepreneurship. With the background of different levels of education, the number of SME actors can be divided based on the distribution of the city. There are five cities that have SMEs with high school graduates with the highest share; Makassar (58,9%), followed by Medan (54,3%), Solo (49,4%), Surabaya (45,3%), and Bandung (43,1%).

In order to generate entrepreneurs, an important element in this education is the entrepreneurship education. Ideally, the concept of entrepreneurship should be integrated into the curriculum from elementary school to post-high school. The importance of entrepreneurship education is given early because youth have tremendous energy so they can express their creativity and innovation from a very young age. SMEs graduated from SMA/SMK are the largest number in almost every city. According to the Head of South Sulawesi Cooperative and SMEs, Syamsu Alam Ibrahim, the number of SMEs in South Sulawesi has reached 916.000 units (Fatir, 2018). In Medan, Juraidi (2016) has reported that according to the Head of Department of SMEs Medan, Arjuna Sembiring, in 2009 there are about 22.000 perpetrators of SMEs and the number continues to increase until 2015 to approximately 300.000 actors UMKM. In Solo, Regano (2014) has reported that the Department of Cooperatives and Micro Small Medium Enterprises (SMEs) Surakarta has recorded the number reaches 43.932 units. While in Surabaya, Afrianto (2016) has reported that Tri Rismaharini Surabaya Mayor, has revealed the number of small and medium enterprises (SMEs) that has grown more than 300%. Currently, Surabaya already has about 3.000 SMEs from total SMEs in 2010 of 92 SMEs. While in Bandung, according to the Head of Diskoperindag Bandung, Popi Hopipah, based on Official Public Relation Staff (2016) has stated that the entrepreneurs of SMEs until the end of 2015 has recorded 5.158 units with a total workforce of 40.548 people.

Based on the data of SMEs in Bandung until the end of 2015 it has recorded 5,158 units with the percentage of 17,6% SME perpetrators are graduate/postgraduate. Not all college graduates work in accordance with the field they study during college. Although some of them are still in accordance with the field of study. According to Agus Santoso, Founder of Young Indonesian Movement of Business (GIMB), currently, there has been a change in the younger generation, especially students. They are more interested in becoming employers than civil servants or employees (Ant, 2016).

The impact can also be felt by one of the universities in Bandung, for example, Telkom University (Tel-U). Based on the interview with Vice Rector III, Ama Suyanto, has mentioned that the passion of the young generation to jump into the business world is so high. It is seen by the many students who enter the business and creative economy development. The emergence of business incubation on campuses also contributes to the increasing interest of students to start the business (Thompson & Downing, 2007). Therefore, the researchers try to find out how much interest in entrepreneurship of by interviewing Siti Nurhayati, as Assistant Manager of BK Entrepreneurship Development. She says that entrepreneurship interest of Tel-U students is high, and several factors that make students want to run a business is because they are diligent, can look for opportunities, continue the business from parents, join HIPMI community or entrepreneurship BEM, and the courses. Entrepreneurship courses also have their own role in increasing the interest of students to start

entrepreneurship and open the insight of students about entrepreneurship itself (Hattab, 2014). Siti Nurhayati adds that Telkom University has held several seminars on entrepreneurship.

Another effort made by Tel-U to increase the interest of its students in entrepreneurship is by holding two competitions in the form of a Business Plan and Creative Market starting in 2015. Grant given from competitions can be used as capital for student's business (Jack & Anderson, 2006). The number of students who follows the Business Plan Competition and Creative Market Exhibition is increasing. This is evidence that quite a lot of Telkom University students who want to try to be entrepreneur. For example, participants from the Business Plan Competition and Creative Market Exhibition have tried to start their own business initially. However, some of the participants eventually decide not to continue the business. Based on the interview with Siti Nurhayati, she says that based on data from the student affair, students who compete in Business Plan and Creative Market 2017 which have not run their business anymore is about 75%.

From the results of the researchers' interview with one of the Business Plan Competition participants in 2017, Qotrunnada Firly, an undergraduate student of Information Engineering class of 2015, he says that he has tried several times to run the business, starting from sticker cutting, then selling pudding, to selling pashmina. However, he always experiences business failure due to lack of capital. Qotrunanda Firly adds another reason that students often complain about business failures is usually the time management. Students are difficult to share between the time of college and time to run the business. Uncertain timetable schedules, growing college assignments, and the lack of experience, make them short of time to run their business. The students who want to run a business should be given knowledge about the business in order to facilitate the running of their business later (Wajahat & Naqvi, 2011).

The objective of this research is to explore the factors why some young entrepreneurs in the higher education institution, such as Telkom University, find failure in generating their business. Previously, there is rarely research on the same topics by taking this university as an object. The motivation, as well as the benefits of this research, is to find the real factors and state the dominant factors why young entrepreneurs are failed in business activity, while this university has the proper facilities, the business incubator, mentors, and interesting competition in innovation and creativity. Further, the result of this research can be used by the Student Affair Department as the reference in deciding to improve the entrepreneurial atmosphere in Tel-U.

Factor failure of a business according to Khelil (2016) is due to neglect by its owner, fraud and theft, lack of skills and expertise, unbalanced experience, marketing problems, policy payments goods on credit, and bad financial supervision. Meanwhile, research conducted by Ekonomi and Ganesha (2015), has mentioned that the most dominant factor influencing the failure of the recipient of Student Entrepreneurial Program (PMW) program at Ganesha University in 2014 is a factor competent in managerial with the value equal to 28,793%, experience factor with the value equal to 21,459%, and financial factor with the value equal to 13,790%. However, most of the perception in society about the form of business failure is bankruptcy (Bolinger & Brown, 2015). But in this research, the researchers refer to what is stated by Atsan (2016) about various forms of failure, including not achieving goals as initially planned, lost, bankrupt, void, deceived, fooled, wretched (Jensen, 2016), rejected, put aside, ignored, do not pass, and no progress. Based on this, the interest of researchers is to examine a business failure among young entrepreneurs in Tel-U from participants of the Business Plan Competition and Creative Market Exhibition 2016-2017.

The term entrepreneurial has been popularized since 1990. Before that, the term "entrepreneurship" or "entrepreneur" (French language) is more popular which means people buy goods with a fixed price, even though the person does not know how price will be sold (Tha, 2017). Then, "entrepreneurship" or "entrepreneurship" is defined differently, but in principle, the purpose and scope are the same, "entrepreneurship" comes from the word "entrepreneurship" (Sadi & Henderson,

2010). “Entrepreneurship” means brave, prime, noble. Business means business commercial and non-commercial activities. So “entrepreneurship” is defined literally as “Matters concerning one's courage to do one's courage to conduct business and non-business activities independently” (Bolinger & Brown, 2015).

Entrepreneurship comes from the term entrepreneurship that actually comes from the word “entrepreneur” (Cope, 2010) which means ability in creative thinking and innovative behavior that is used as the basis, resources, driving force goals, tricks, and tips processes in the face of life's challenges. Oser and Volery (2012) have stated that “entrepreneur” is someone who has a combination of elements of internal elements that include a combination of innovation, vision, communication, optimism, encouragement, and ability to take advantage of business opportunities. Another opinion says entrepreneurship arises when a person dares to develop his business idea or new ideas (Rasmussen, 2011). The entrepreneurial process includes the functions, activities, and actions associated with the acquisition of opportunities and the creation of business organizations; therefore entrepreneurs are the ones who get the opportunity and create an organization (Khelil, 2016).

In general, one's motivation to become an entrepreneur includes: (1) *Profit* that can determine how much profit is desired, benefits received, and how much will be paid to other parties or employees. (2) *Freedom* means free to set the time, free from supervision, free of rules that suppress or intervene other people, free from the rules of organizational culture or company. (3) *The personal dream* is the freedom to achieve the expected standard of living, apart from the tedious routine of work because it must follow the vision, mission, and dreams of others (Pruett et al., 2009) that can determine his fate/vision, mission, and dreams. (4) *The independence* that has a sense of pride because it can be independent in everything, such as capital, management/management, independent in supervision, as well as a manager of himself (Oser & Volery, 2012). The success of a business according to Oser and Volery (2012) are; (1) honest and hard work as well as tenacious, (2) discipline and dare to bear the risk, and (3) able to carry out management well. Factors that support the success of entrepreneur by Canidio and Legros (2015) are; (1) able to serve consumers well, and know exactly the market, (2) have enough capital, (3) can lift a good and proper workforce, let alone can get a ‘right hand’ is skilled, (4) find and use information on a regular basis, (5) listening, and following the regulations issued by the government, (6) have reliable experts, and (7) able to manage time effectively.

While the failure of a business according to Wajahat and Naqvi (2011) are; (1) the ignorance the owner when he/she fails to run the business and lets things happen without taking positive action; (2) finance and theft when the employees steal money (corruption), company goods, or company secrets; (3) the owner has a lack of skill and expertise. He/she has no knowledge and skills in managing money, people, inventory, machinery, and customers; (4) unbalanced customers when they have the experience in sales but not in purchasing, and have experience in finance but not in production and sales; (5) marketing problems when the owner is unable to attract enough customers due to lack of promotion, low-quality goods, poor service, and less attractive layout; (6) the policy of payment of goods on credit and bad financial oversight. Purchase of goods on credit by the customer regardless of the customer's ability to pay and does not have a good billing policy; (7) high-cost expenditure when it cannot control expenses, for instance, travel expenses, hosting partners, room renovation, electricity, telephone, water, and others; (8) there are too many assets, too much inventory of goods, equipment, vehicles, and so on, however, there are less useful and less enough operational costs; (9) poor inventory control that too much inventory of unsold merchandise (Muhammad, McElwee, and Dana, 2017); (10) non-strategic business locations, such as in a narrow alley, behind the building, are hard to find, too far from the customer's environment; (11) loss of valuables due to natural disasters, fire or other disasters in matters of leadership does not insure.

There are eight causes of business failure according to Arasti, Zandi, and Bahmani (2014). They are; (1) managerial incompetence and incompetent nature of company leadership may be caused

by inexperience, unable to make decisions, so it is not clear which direction to go; (2) there is a lack of experience and less experienced. It is preferably the leadership has a basic knowledge of business done, including technical skills and conceptual skills; (3) there is the poor financial control where the top management is the key that makes the success of a company. The three main things that cause financial problems are the lack of working capital, the policy of giving credit to the buyer (Walsh & Cunningham, 2016), and too much money being bought into the fix assets; (4) failure to plan for the future will undermine the company's forward movement, especially in the face of expansion; (5) there are inappropriate location and failure to choose a location that suits the business performed; (6) there is a lack of inventory control, and lack of oversight of inventory will result in a shortage of goods or perhaps excess stock; (7) the improper attitudes when there is the less earnest attitude in the effort due to the behavior of managers is less ready; (8) there is the inability to make the entrepreneurial transition that usually happens after the company progresses and grows, for example, the manager cannot delegate his work to others. As a result, his/her activities are less effective. (Welter, 2006).

There are also failures in small business enterprises are; (1) There is a lack of capital, and it cannot cultivate relations, so there is no additional capital; (2) There is the lack of knowledge about business; (3) The poor management can be seen that there are no skills in management from planning, organizing, mobilizing employees, and overseeing business activities; (4) There is inadequate planning, unable to make planning because they think it is not important or they are not able to plan; (5) There is the lack of experience, and the attitude does not want to learn from experience; (6) There are government's restrictions with various rules (Lee & Miesing, 2017). According to Mihajlović and Schulte (2015), failure can also be generated with basic weakness that comes from the personal nature of full doubt and life without guidance or orientation that firmly, likes to underestimate the quality, wants to break through or take shortcuts, not having confidence, not discipline, and likes to ignore the responsibility. According to Jensen (2016), the factors of aggravation are underestimated dedication, fail in controlling business, less in management's understanding, less attention to the management of accounts receivable, expanding the excessive effort, underestimate the financial planning, and wrong business location, and big spend (Rezaei-zadeh & Reilly, 2014).

METHODS

This research is a descriptive and explorative research with quantitative approach. Explorative research is research conducted to obtain information that is very general about the research problem, namely information about the area of interest of researchers and becomes the basis for further researchers. The population of this research is Telkom University Students who have the business and have followed the Competition Business Plan Competition, and Creative Market Exhibition 2016-2017 amounted to 116 people. It uses one sampling technique on nonprobability sampling that is saturated sampling. Saturated sampling is a technique for determining the sample when all members of the population are used as a sample. Primary data in this research comes from questionnaires distributed to respondents either directly or via the internet. In this research, the researchers obtain secondary data based on data obtained from supporting libraries and existing pieces of literature in the library, journals, prior research, and website or the internet. The data analysis is using Principal Component Analysis (PCA), which is a factor analysis method that extracts factors by using total variance in the analysis. This method produces factors that have the least specific variance and variance error. If there are several factors generated, the former determines the dimension of the latent dimension underlying the original variables. The process of factor analysis depends on the correlation of the variables. It uses the correlation matrix between one variable with other variables. To test the accuracy of the formed factors, the statistical test of Bartlett's Test Sphericity with significant value $<0,05$ and KMO is used to determine the feasibility of factor analysis.

RESULTS AND DISCUSSIONS

The respondents of this research are Telkom University Young Entrepreneurs who participate in Business Plan Competition and Creative Market Exhibition from 2016-2017 from seven faculties. The total distributed amounted to 116 people can be seen in Figure 1.

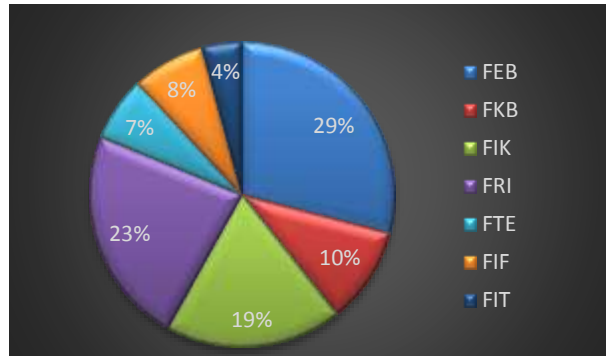


Figure 1 Respondents Based on Faculties

Figure 1 explains that the respondents who fill out this research questionnaire from seven faculties. Faculty of Industrial Engineering is 23%, Faculty of Creative Industry is 19%, Faculty of Communication and Business is 10%, Faculty of Informatics is 8%, and Faculty of Electrical Engineering is 7%. Students in the Faculty of Business Economics are the respondents most fill the questionnaire with the number 29%. Students in the Applied Science Faculty are with 4%.

Table 1 shows the highest number that fills the questionnaire based on the batch, which is the batch (2013) amounts to 61 respondents, batch (2014) is 31 respondents, batch (2012) is 24 respondents. Factors affecting the generation of 2013 and 2014 as respondents who fill the most questionnaires is because in the competition of Business Plan and Creative Market in 2016, force 2013 and 2014 are not yet in the final stage of the task, so in contrast to the 2012 class that is somewhat less filling questionnaires because students are preparing the final task of the year.

In Figure 2, the type of business undertaken by the respondents is varied. It is from fashion, culinary, accessories, and others such as applications, rentals, and handicrafts. The type of fashion business is the most widely performed (41%), followed by culinary business 28%, accessories 19% and others as much as 12%. Factors that make students are most fond of fashion business because Bandung is the center of fashion shopping that there are famous factory outlets, so rapid growth of fashion business, the business opportunity in this field wide open. Then culinary, because many opportunities that can be obtained by students to open the culinary business around the campus. The percentage of it can be seen in Figure 2.

Table 1 Respondents based on Batch

No	Batch	Frequency	%
1.	2012	24	20.6
2.	2013	61	52.5
3.	2014	31	26.7
Total		116	

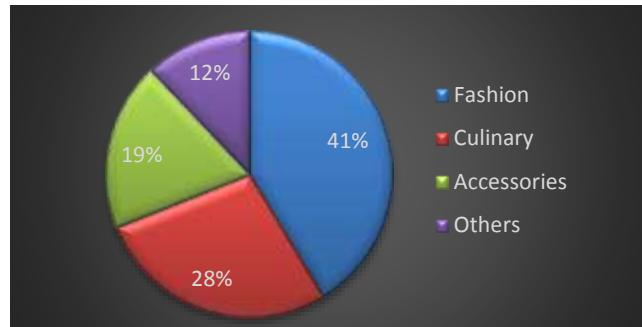


Figure 2 Respondents Based on Business Type

Figure 3 states that the business failure experienced by the respondents is generally due to no progress (41%), the loss factor is 33%, the factor of bankruptcy is 15%, the factor of deceived is 4%, and hurt factor/stricken disaster is 7%. Most of the students feel that his/her productive capacity never increases. This is due to the difficulty of dividing the time in managing his business so that most of the students decide to stop business and return to college focus.

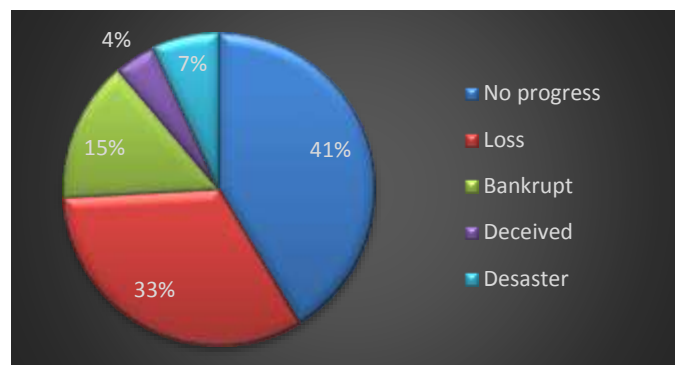


Figure 3 Respondents Based on Failure Factors

To test the accuracy of factor analysis, the statistical tests used are the Bartlett Test Sphericity and Kaiser Mayer-Olkin (KMO) to determine the adequacy of the samples. The minimum calculation result should have a KMO value of 0,5 and if less than that value, then research cannot proceed using factor analysis. Figure 4 explains that of 116 respondents having sampling adequacy size in this research is 0,846, with reference to the KMO accuracy measure, then the overall sample sufficiency value is good (acceptable).

Bartlett's Test of Sphericity is a statistical test to test whether the variables involved are correlated. MSA rates greater than 0,5 indicate that a set of variable factors can be further processed using factor analysis. It can also be seen from the Table 2, in Bartlett's Test of Sphericity (shown with the Chi-Square number) of 743,434 with significant 0,000 which means 100% trustworthy that inter-variables have the correlation.

Table 3 shows the magnitude of the percentage of total diversity that can be explained by the diversity of the factors that are formed. In the table, there is also an eigenvalue of each factor formed. To determine the number of factors used then look at the value of eigenvalue, the component with eigenvalue ≥ 1 is the component used and from the table also there are five components or factors formed, because the component 6 eigenvalue value generated is ≤ 1 so that the process factoring stops

at the component or the eighth factor alone. In factor 6 to 16, it is not used in calculating the number of factors formed because the total number of eigenvalue values generated ≤ 1 . Based on the table also, there are 16 factors incorporated into the factor analysis. With each factor having variant = 1, the total variant is $16 \times 1 = 16$.

Table 2 Results of KMO and Bartlett's Test

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin of Sampling Adequacy.		0,846
	Approx. Chi-Square	743,434
Bartlett's Test of Sphericity	df	120
	Sig	0,000

Table 3 Total Explained Variance

<i>Component</i>	<i>Initial Eigenvalues</i>			<i>Extraction Sums of Squared Loadings</i>			<i>Rotation Sums of Squared Loadings</i>		
	<i>Total</i>	<i>% of Variance</i>	<i>Cumulative %</i>	<i>Total</i>	<i>% of Variance</i>	<i>Cumulative %</i>	<i>Total</i>	<i>% of Variance</i>	<i>Cumulative %</i>
1	6,014	37,587	37,587	6,014	37,587	37,587	3,006	18,789	18,789
2	1,515	9,469	47,056	1,515	9,469	47,056	2,638	16,485	35,274
3	1,126	7,037	54,092	1,126	7,037	54,092	2,042	12,763	48,037
4	1,038	6,490	60,582	1,038	6,490	60,582	1,733	10,834	58,870
5	1,010	6,312	66,895	1,010	6,312	66,895	1,284	8,024	66,895
6	0,982	6,137	73,032						
7	0,761	4,758	77,790						
8	0,705	4,408	82,199						
9	0,513	3,208	85,407						
10	0,496	3,099	88,506						
11	0,402	2,513	91,018						
12	0,351	2,195	93,214						
13	0,308	1,927	95,141						
14	0,282	1,762	96,902						
15	0,269	1,684	98,586						
16	0,226	1,414	100,000						

After the factoring process, then there is proceed with grouping factors. Grouping factors are done to be able to determine each of the initial variables into the new factor. The initial variables will fit into the five factors that are formed. Grouping of these factors is done by looking at the resulting Component Matrix. The component matrix shows the distribution of variables that have been extracted into factors that have been formed based on factor loading. Variables included in the factor have the largest loading factor. Factor loading shows the level of closeness variable to the factors formed. The greater the loading factor, the more obvious the variable can be included in one of its factors and vice versa. The process of determining the initial variables is going into component or factor 1, 2, 3, 4 and 5 is done by doing a large comparison of correlation on each line. The initial variables will enter into the X factor that can be seen from the largest correlation value. However, from Table 4, it indicates that these factors have not been perfectly dispersed into factors 1, 2, 3, 4 and 5. So, factor rotation is necessary. Factor rotation is done to make the larger correlation value bigger, and the smaller correlation value becomes smaller. The rotation used in this research is the varimax rotation.

Table 4 Rotated Component Matrix

	<i>Component</i>				
	1	2	3	4	5
Likes to break through / take shortcuts	0,561	0,286	-0,099	0,317	0,045
Do not have confidence	0,483	0,584	0,149	0,039	0,025
Not disciplined	0,139	0,788	0,241	0,059	0,233
Likes to ignore the responsibility	0,048	0,667	0,034	0,485	0,187
Attitudes are less serious in entrepreneurship	0,405	0,364	0,434	-0,117	0,003
Likes to underestimate the quality	0,578	0,490	0,231	0,080	-0,319
Likes to underestimate the dedication	0,451	0,692	0,113	0,177	-0,012
Ignored by the owner	0,028	0,162	0,098	0,026	0,768
Too many assets	0,717	0,201	0,054	0,182	0,071
Expanding excessive effort	0,747	0,169	0,094	0,181	-0,048
Marketing problems	0,653	-0,042	0,316	0,087	0,414
Failed in business / business control	0,274	0,281	0,435	0,455	0,383
Lack of capital	0,071	0,174	0,790	-0,116	0,278
Government regulation restrictions	0,048	0,071	0,754	0,391	-0,049
Finance and theft	0,180	0,284	0,439	0,522	-0,304
Disaster	0,348	0,076	0,032	0,788	0,057

After a factor rotation in Table 4, it can be seen that the factors that are formed and have been scattered perfectly into factors 1, 2, 3, 4 or 5. From each component, the number marked with yellow is the number that shows the largest component value and is loading factor of the 16 factors. Furthermore, component factors 1, 2, 3, 4 or 5 will be grouped. From the 21 initial variables enter into factor analysis, in the end, it forms five factors. The factors are then interpreted according to the variables that have the highest loading value with these factors. In this research naming factor based on the highest loading factor on each factor.

Table 5 is naming the factors that have been formed. The researchers use five naming factors that represent statements or variables or indicators that formed. The percentage of the variance in Table 5 reflects the contribution and each factor. The results show that five factors are extracted or formed from factor analysis process. Interpretation of factor names is done by judgment. Because of its subjective nature, the results can be different if others do the interpretation. The formed factor can be used as a new variable replacing the original variables seen from the highest loading factor.

Table 5 Labeling of New Factors

Factors	Name of new Factor	Contribution
1	<i>Improper Asset and Marketing Management</i>	234,91%
2	<i>Unqualified Entrepreneurial Characteristics</i>	51,81%
3	<i>Unwell Anticipation of Capital and Regulation Pressure</i>	43,98%
4	<i>Financial and Non-Financial Failures</i>	40,56%
5	<i>Ignored by Owner</i>	39,45%

Factor 1 is the Improper Asset and Marketing Management factor. It consists of five items; expanding the excessive effort, too many assets, marketing problems, always disparaging quality, and always to break through/take shortcuts. Factor items expanding excessive business has a percentage of the variance (0,747). It is one of the factors that drives the cause of entrepreneurship failure in Telkom University. The new students run a business are too eager to expand their business when they feel there is a good chance that can be taken. They try to get the opportunity. One of the opportunities they can take is to enter the Business Plan competition in pursuit of the capital prize. They are also follow

the Creative Market as an opportunity to make sales. Based on interviews with Fathinah Amatullah, MBTI student of the class of 2013, he says that he wants to join Business Plan competition in order to get the competition prize as additional capital fund. He also manages to get a champion 3 of the Business Plan competition in 2015. He is increasingly eager to do a massive expansion of his business called Royale Milk, without realizing their efforts that do not yet have a strong foundation that is too to handle business obstacles going forward, and eventually his efforts is fail. One of the factors causing business failure is expanding the excessive business.

The second item of the Improper Asset and Marketing Management is too many assets with the percentage of the variance (0,717). Assets are really needed for the businessman to run the business. Before entering the Business Plan Competition or the Creative Market, entrepreneurs actually already have enough assets. The assets are divided into tangible assets and intangible assets. Tangible assets are like buildings, machinery, equipment, and others. Intangible assets are such as patents, copyrights, trademarks and more. However, the problem that is often faced by new entrepreneurs is that they still cannot manage their tangible assets well so that tangible assets are piled up. Plus, they do not use these assets to support their business development optimally. Based on the results of interviews with Muhammad Miftahul Ullum, an Industrial Engineering S1 Student who attends the Business Plan competition in 2015, he say that his business, called Pachira had a sufficient amount of assets, but he has claimed not to use all the assets to run his business. So, he receives profit from his selling product still cannot cover the amount of capital he has spent to buy assets. Therefore, he feels a loss of business.

The third item is the marketing problem factor with the percentage of the variance (0,653). Marketing is often regarded as one of the obstacles to the development of a business (Rezaei-zadeh & Reilly, 2014). Therefore, entrepreneurs should have the ability to market the products they sell. Entrepreneurs dare to follow a competition such as the Business Plan or Creative Market as one of the reasons to market their business. Plus entrepreneurs who are still a student now has been technology literate. They do not only market the products offline, but they also market their products online, for example through Facebook, Instagram, and others. By doing two-way marketing causes the demand for the product increases. Based on the result of the interview with S1 Informatics Engineering Student named Windi Oktaberi, he has a business called Duta Fashion. He acknowledges that he lacks capacity in terms of production capacity. He is less able to handle the increase in demand so that the amount of production is still below the number of existing demand which causes customers to switch to competitors. Marketing mistakes will directly affect the sales turnover of a product offered. So, the turnover continues to decline and eventually he decides not to continue his business. There are several factors causing business failure, one of them is the marketing problem.

The fourth item is underestimating factor quality with a percentage of the variance (0,578) because most of the new entrepreneurs usually do not make product quality as the main focus (Shulman, Cox, & Stallkamp, 2012). Their main focus is only on how to sell as many products and quickly gain profit. For them, quality or certification is not essential when beginning a business. Quality can be in the form of packaging, raw materials, and elements forming the product itself. Consumers are now getting smart, they do not haphazardly buy a product, and they are now beginning to be critical in assessing the quality of a product. That is why new entrepreneurs have the potential to experience business failure because they underestimate this. This is in accordance with five factors causing business failure, one of which is like disparaging quality.

The fifth item is factor likes to break through or take a shortcut with a percentage of the variance (0,561). The young entrepreneurs too often take shortcuts and want everything instantaneously (Pruett et al., 2009). They decide something without thinking about it maturely. Therefore, the decision can pose a risk to the continuity of the business being run. They want to sell a product but do not know clearly where they need to get the raw material. Finally, they decide to look for the replacement of raw materials for manufacturing their products without trying to survey the

prospective customers first. Consumers are not interested in the products they have created so that the impact on the level of sales is always declining. This is in line with what has been disclosed that there are five factors causing business failure, one of which is likes breaking or taking shortcuts.

Factor 2 is unqualified entrepreneurial characteristics. It consists of four items including indiscipline, belittling dedication, ignoring responsibility, and lack of confidence. The first item; the indiscipline factor has the highest percentage of the variance (0,788). So the indiscipline factor is one of the factors causing business failure, because in carrying out its activities an entrepreneur should have a high discipline, especially the discipline of time. Based on the results of the interview with Qotrunnada Firly, S1 Informatics Engineering student who has a business named Rujaku, he feels as a student who cannot manage his time. So the desire to postpone the job with a variety of reasons such as the exam or the task of campus is high. Certainly, he feels his business has no progress and finally the entrepreneur decides to close his efforts to be more focused with his lecture.

The second item is underestimating dedication that has the percentage of the variance (0,692). An entrepreneur is required not to give up even if they are in any bad situation. But, the new entrepreneurs still do not have a strong mentality against competitors' pressures. So they easily give up in the middle of the road. They are quickly in despair and assume the effort they run is a waste if it continues (Muhammad, McElwee, & Dana, 2017). Plus they rarely reward what they have achieved, consequently, the decision to stop the business is getting bigger. For example, one of the 2016 Business Plan participants, Dede Surya Pradipta, owns a business in a custom pillow called HypePillow. His business has been running for two years, but nowadays more and more competitors are finding it increasingly difficult to get new customers, so he decides to close business.

The third item is the lack of ignoring factor with the percentage of the variance (0,667). This relates to an entrepreneur's responsibility for customer complaints. Entrepreneurs who do not want to hear critics and suggestions from their customers that can adversely affect the level of customer satisfaction (Lee & Miesing, 2017). Plus, entrepreneurs still like not keeping promises with suppliers; this will lead to the reduced trust of customers and suppliers. If the entrepreneurs do not have a good relationship with suppliers, it can hamper business activities and reduce trust from customers in which of will have a direct impact on sales turnover. If sales turnover continues to decline, it will lead to business failure.

The fourth item is the lack of self-confidence factor with the percentage of the variance (0,584). Entrepreneurs who are unsure of their ability or expertise in performing an action or making decision to solve a problem it will be easier to fail. For example, Erizka, he has a business in the field of fashion called Nattya Shop. As the competition progresses, he sees many competitors in the same field as his business. He begins to lose confidence and became pessimistic to win because he feels his business is less creative and innovative. The entrepreneur should be optimistic over any decisions he or she has made. Employers usually have begun to lose confidence as competitors begin to issue the latest innovations in their products. Competitiveness and pessimism within the entrepreneur can lead to business failure.

Factor 3 is the unwell anticipation of capital and regulation pressure. This factor consists of three items: capital, deficiency government regulation restrictions, and less sincere attitudes in entrepreneurship. The first item is the capital deficiency factor that has the highest percentage of the variance (0,790). Entrepreneurs who want to start a business should already know in detail about how much capital needed (Mihajlović & Schulte, 2015), so the business can continue to run. Entrepreneurs want to compete in Business Plan and Creative Market because they want to make competition grants as additional capital. If the addition of capital from competition grants is not enough, employers should be more patient to raise capital first. Based on the interview with Audria Ineswari, MBTI S1 student who has a business named Kabita which is a kind of business in the field of snack. This business has faltered due to lack of capital factor, eventually; he also takes his own savings funds to be

additional capital. However sufficient capital is one of the most important factors in building a business. The lack of capital makes the business is difficult to develop and can also be fatal until the business cannot be forwarded again.

The second item is the government's restrictions factor with the percentage of the variance (0,754), are often seen as an obstacle for employers to try to expand their business. The process of making a business license or product certificate must take time and cost (Jensen, 2016), so young entrepreneurs often look for other ways to avoid some of the rules. However, if a businessman is caught committing a fraudulent act or does not follow the applicable regulatory procedures, then the government may withdraw the business license of the entrepreneur. This is in accordance with what is disclosed by Megginson in Alma (2010).

The third item is the factor of less behavior with a percentage of the variance (0,434). The young entrepreneurs who have student status usually cannot entirely plunge into the business world. The half-hearted attitude toward this effort results in the unstable business (Jack & Anderson, 2006). They tend to make their business as only a side job. They are also less consistent, so it is easy to move to other types of business. The less serious attitude in entrepreneurship can also be fatal to the continuity of the business itself. In accordance with what is disclosed by Zimmerer and Scarborough in Alma (2010) that there are several factors causing business failure, one of which is the factor of poor attitude in entrepreneurship.

Factor 4 is financial and non-financial pressures. They includes three items: they are the disaster, finance, and theft, as well as failure in business control/business. The first item is the disaster factor that has the highest percentage of the variance (0,788). Disaster factor is an unexpected thing that can happen anytime, it greatly threatens the continuity of business operations, such as flood, landslide, fire, and others. One of the participants of Business Plan 2015, Windi Oktaberi has experienced a flood disaster which results in stocks of goods he keeps in his home is partly damaged. Due to the disaster, the business also suffers huge losses (Hamidi, Wennberg, & Berglund, 2008). Enterprises that have been hit by the disaster will certainly cause some losses and also have the potential to cause business bankruptcy. It is in accordance with what Comptables (2004) has said that there are several factors causing business failure, one of which is the disaster.

The second item is financial factors and theft that have the percentage of the variance (0,687). The entrepreneurs should separate between personal money and business proceeds. Employers may not use results of operations for personal gain. Some business results must be kept to be used as rotating capital which is useful for business development. If the entrepreneur continues to use the proceeds of money for personal gain, it will affect business losses, plus if the entrepreneur has experienced theft. One of the participants of Creative Market 2016, Riska, has experienced theft of some of the results of his business. This causes him to work even harder to cover the losses of the theft, and if he cannot survive in this situation, then his efforts can potentially experience business failure.

The third item is failure factors in Business or business controls that have a percentage of the variance (0,455). The young entrepreneurs often control finances. Financials for business should not mix with personal finances that can make cash flow unusual. As a result funding for product capital becomes stuck, and entrepreneurial activity becomes hampered before it stops altogether. Control of inventory is equally important; inadequate inventory levels will result in shortages and out of stock so that customers feel disappointed and leave. If the entrepreneur cannot control his business, it will be bad for his business in the future.

Factor 5 ignored by owner. The abandoned factor by owner has the highest percentage of the variance (0,768). It is often found in team-built efforts (Canidio & Legros, 2015). Employers who are still the best students usually have other activities on campus. There are still active organizational

activities, busy with tasks, and focus on the exam. For example, 2015 Business Plan participants, Fathinah Amatullah, builds a business called Royale Milk with his two colleagues. They are MBTI students of the class of 2013 who are working on the final task, so they have to ignore the temporary efforts that have been built together. The reason then affects the lack of coordination within their team which further leads to the slow progress of the business, so they decide to abandon their business.

CONCLUSIONS

Based on the analysis of this research, there are five factors include improper asset and marketing management, unqualified entrepreneurial characteristics, unwell anticipation of capital and regulation pressure, financial and non-financial failures, ignored by the owner that are known to produce business failures. By knowing what factors are causing the failure in entrepreneurship at Telkom University Entrepreneur Student who follow Business Plan competition and Creative Market 2016-2017, it is suggested that: (1) Young entrepreneurs who are still lacking confidence are advised to participate in training such as the New Entrepreneurship Training (WUB) organized by the government, the Department of Cooperatives, and SMEs of West Java Province, so that the entrepreneur is expected to be more confident in carrying out its business activities. (2) To minimize financial losses, the entrepreneurs are advised to separate the personal money and business money results. So the money from the business is not used for personal gain. Some money on the results of operations should be kept to be used as rotating capital which is useful for business development. Moreover, entrepreneurs are also advised to prepare an unexpected budget to anticipate something undesirable. With this expected wiser businessmen manage their business finances in order not to cause harm. This research can be a consideration and input material for Telkom University's Student Affairs to reduce the risk of entrepreneurship failure in their students, and it can be an input material for young entrepreneurs to minimize the potential risk of causing business failure. The research limitation is in term of number of research object that only focus on participants in Telkom University. For future research will concern in adding number of respondent from another university for the purpose to identify general factors and use the results for empiric research.

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