



ASSISTANCE WITH BUSINESS IDENTIFICATION NUMBER LEGALITY FOR MSME PLAYERS IN VILLAGE COMMUNITIES

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Abstract:

For micro, small, and medium business owners (UMKM) in Indonesia, legal business status depends on one document: the Business Identification Number (NIB). This document is used to gain access to government aid programs and bank financing schemes like the People's Business Credit (KUR). In Gabugan Village, Tanon District, Sragen Regency, most business owners don't have legal business status yet. Grocery store owners, street food vendors, local craftsmen, livestock farmers, and even farmers selling crops. Having an NIB isn't seen as important because they're busy running their daily business, and the online OSS registration system still feels unfamiliar. This Community Empowerment Program aims to raise awareness by assisting UMKM owners in Gabugan Village to get their businesses legally registered. The activities are carried out by providing guidance and visiting them door-to-door using the Online Single Submission (OSS) system. The implementation was divided into five stages: data collection and mapping of SMEs, two rounds of door-to-door registration, printing the NIB certificates, and then handing them over to the community. The activities took place from August 19 to 29, 2026. However, out of the initial target of 15 SMEs, only 2 business owners actually received the NIB certificate, the official legal document that is valid for a lifetime. This reflects that the importance of SME legality has only touched the cognitive aspect; it's evident that only 2 business owners truly held the NIB. The gap between the target and reality was mainly due to limited time, both for the service team and the SME owners. Still, this program showed that a proactive, hands-on business communication mentoring approach to the business locations is quite effective in overcoming two obstacles faced by micro-entrepreneurs in rural areas, namely time efficiency and digital literacy

Keywords: Business Identification Number (NIB), MSME, Legal Status; Door-to-Door Support, Online Single Submission, Community Empowerment

INTRODUCTION

One of the pillars of the economy for lower to middle-class communities is MSME actors, especially in rural areas. MSMEs are the backbone of the national economy, including in villages where people rely on agriculture, trade, and services (Ramadani, 2022; Thorgren, S., & Williams, T. A., 2020; Khumairo et al., 2025). In Indonesia, the legal basis for business legitimacy is called the Business Identification Number (NIB), issued through the Online Single Submission (OSS) system as part of a risk-based business licensing reform. The NIB is not just an official identity for business actors but also a key requirement to access government assistance programs and capital financing like the People's Business Credit (KUR). So, having an NIB means opening the door to



the sustainability and growth of a micro business.

Gabugan Village itself is one of 16 villages in Tanon District, strategically located as the district's administrative center and also crossed by the connecting route between Sragen City and Gemolong. It has a population of 5,450 people, spread across 1,777 households (BPS Catalog, 2019).

Most residents rely on farming for their livelihood, using irrigation systems sourced from bore wells and Ketro Reservoir, although trade and small businesses along the village crossing routes are also getting busier. In recent years, SMEs in this village have helped drive the local economy, such as small grocery shops, street food vendors, local craftsmen, livestock farmers, and farmers selling their produce. However, the large number of business players doesn't match their legal status. Observations and direct field investigations show that most of Gabugan's SMEs are still operating without a business identification number (NIB), and as a result, they have trouble accessing government aid or bank loans. This kind of phenomenon doesn't mean that the business players lack legal awareness, but for them, the urgency is in running their businesses, which isn't that different from a subsistence economy (Tuty Maryati et al., 2018). This means that subsistence economy actors consider licensing aspects as something not urgent (Ulfa, M., 2022). Businesses are run independently, without a legal entity, and are outside the reach of tax regulations or government bureaucracy. They are busy taking care of their daily business, find it hard to leave it even for a moment, and struggle with technology when dealing with the fully online OSS registration system. The gap between the importance of business legality and the low ownership of NIB is what underlies the empowerment programs for MSME actors in rural areas.

The situation called for a support approach that wouldn't take up too much time and energy from the business owners, but still ensured that the legality process followed official procedures. So, they went with a door-to-door approach: visiting the business locations directly to help register NIB through the OSS system. This method was considered the most suitable for the real conditions of Gabugan's MSMEs, and in line with the community empowerment principle that stresses interventions should start from the actual needs and limitations of the target group, not from the program implementers' assumptions (Wahab et al., 20022).

Assisting MSMEs to strengthen business legality through the OSS application while introducing them to the e-commerce ecosystem and expanding their business partnership networks. This step is believed to be a method of introducing the virtual market to optimize the profitability and economic efficiency of MSMEs sustainably (Saputra, C et al., 2026).

The novelty of this program lies in the combination of two approaches: administrative law, in managing the NIB legality through OSS, and a community empowerment communication pattern based on proactive outreach. Both are implemented in Gabugan Village, an area that has not been widely covered by publications or service reports regarding micro-business legality assistance. On that basis, the community service team sees it necessary

to run the empowerment program "Door-to-Door MSME NIB Assistance" as a tangible form of implementing development communication to support legal certainty while also promoting economic independence of MSME players at the village level.

RESEARCH METHOD

This community service activity is one form of the Tri Dharma of Higher Education, carried out through the Unisri Surakarta community service program from August 19 to 29, 2026, in Gabugan Village, Tanon District, Sragen Regency. The target is small business actors in the village, including grocery shop owners, street food vendors, local craftsmen, livestock farmers, and farmers selling agricultural products.

The program uses a door-to-door approach, directly visiting residents' businesses so that legal registration does not burden the business owners, who are busy managing their daily trade. This kind of proactive approach was chosen because being directly involved at the business locations is considered more effective for reaching target groups with limited time and digital literacy (A. Fahrur Rozi et al., 2024).

Overall, the program's implementation is divided into five stages. The first stage is data collection and mapping. I coordinated with the neighborhood and village leaders to collect and map out the MSMEs that would be assisted, aiming initially for 10 to 15 businesses. This step is important so that the program's intervention is truly based on real data from the field, not just estimates on paper.

In the second stage, the door-to-door execution begins. I visited 5 to 7 businesses, handling the NIB registration directly on-site using a phone or laptop. Before the registration took place, the community was first given an explanation about the benefits and importance of having a NIB.

The third stage continues from the second: the remaining 5 to 8 target locations are visited one by one, while making sure all the data of willing business actors has been fully entered into the Online Single Submission (OSS) system.

No	Jenis	KBLI	Ruang Lingkup	Aksi
1	Kegiatan Usaha Utama	56102 - Aktivitas Penyediaan Makanan di Bangunan Tidak Tetap	Kedai Makan	Edit Hapus

Figure1. NIB Application Form via OSS.

The NIB file that has been issued in PDF format is then printed in color at a copy shop, which is the fourth step in this series. The printed result is prepared in a clear plastic holder so it's easy for business owners to store and use.

Figure 2. Business Location Features

In the final stage, the certificate handover, the author delivered the neatly printed NIB documents back to each of the assisted MSMEs. This is the point where the official mentoring process is completed. The operational cost of this activity was Rp80,000.00, which was spent on printing-colored NIBs and storage folders; registering through OSS itself is completely free. All costs were covered out of the students' own pockets. The Gabugan Village Government also helped through licensing and information support, while the local RT Chairman and Dusun Head acted as partners in mapping the basic data of business actors.

The program's success is seen from three angles. Quantitatively, from the number of NIB certificates that have been printed and handed over. Qualitatively, in terms of how well the MSME actors understand the benefits and importance of the NIB. Meanwhile, for long-term impact, it is seen from the availability of business legality that MSMEs can use to access bank financing in

the future.

FINDINGS AND DISCUSSION

The "Door-to-Door MSME NIB Assistance Program" in Gabugan Village proves that a proactive, hands-on approach is quite effective in raising early awareness among MSME actors about the importance of business legality, even though the quantitative results haven't quite met the plan. Out of the target of 15 MSME actors, only 2 were fully assisted until their NIB certificates were printed and handed directly to the owners. The two training participants successfully obtained their NIB, namely Mrs. Heni Purwanti and Mrs. Stela Monica. Mrs. Heni is one of the MSME actors engaged in the culinary field, especially small snacks like pentol, a type of food similar to aci meatballs made from tapioca and wheat flour, sometimes with added meat or tofu with peanut and chili sauce. Generally, pentol is served on skewers like satay, with chili sauce, and sometimes served in a soup like meatballs. Heni Purwanti sells her products by opening a small stall in front of her house. As for the menu offered, besides pentol cakes as the best-seller menu (gongso pentol, steamed pentol, and fried pentol), there are also chicken noodles, grilled chicken rice, fried rice, fried noodles, crackers, tofu, and fried tempeh, as well as drinks like iced tea, orange juice, coffee, milk, and mineral water. Customers can visit the stall directly, or within a certain radius, they can also place orders for home delivery. To run the business, Mrs. Heni is helped by her husband, who works as a farmer, and their two children who are still in elementary and vocational school. With this business that has been running for around 8 years, Mrs. Heni along with her husband supports the family by paying for the education of their two children who are still in elementary and vocational school.



Figure 3. NIB Certificate of MSME actors

The MSME actor who has also obtained an NIB is Mrs. Stella, commonly

called Bu Lala. She is a single housewife. Her husband, a catering entrepreneur, has passed away. The catering business is continued by Bu Lala, who runs it from the house she shares with her two children, who are still in elementary school. This business, which was started in 2019, has already expanded its market around Tanon and Gemolong districts. The targeted market mainly includes events like weddings, circumcisions, family thanksgiving gatherings, neighborhood meetings, and similar occasions. With sales revenue of around 2 to 10 million rupiahs per month, Bu Lala is assisted in running her business by a close relative who works full-time. However, employees' salaries are mostly determined by the amount of sales revenue. To support business mobility, employees are provided with a motorcycle in addition to a Grand Livina car that is directly used by Mrs. Lala.

Right now, Mrs. Heni and Mrs. Lala both hold official NIBs that are valid for a lifetime, documents that can be used for administrative purposes or as a requirement to apply for business capital in the future. The numbers are indeed far below the target, but for business owners who previously had no legal identity at all, this is a significant step forward. The shift from having no legal status to having legal status, no matter how small the number, is still a meaningful achievement for the sustainability of micro businesses (Kraus et al., 2022).

The main cause of the gap between the target and the actual results is the limited time for assistance, both due to the capacity of the service team and the willingness of MSME owners to participate amidst the business of running their businesses. The five-week stage plan, from data collection to certificate handover, is hard to follow exactly according to schedule because the visit timings are difficult to match with each business owner's free time. On top of



that, many people still don't know what an NIB is or what it's for, so the writer has to spend extra time doing basic education before they're willing to register their business data.

Figure 4. Mrs. Lala's catering business

These findings align with the community empowerment approach, which emphasizes that changes in behavior and residents' willingness to

participate in legality programs or digital transformation cannot be forced through just a single visit; gradual education is needed, tailored to the readiness and free time of the target group (Siti Hikmah et al., 2024). Residents who are not tech-savvy and are unfamiliar with online registration like OSS further highlight the importance of having assistants who can operate the system on their behalf, so that residents don't have to go through the hassle themselves. Although not yet quantitatively optimal, these results still serve as a positive early indicator. The two NIB certificates that have already been issued prove that a door-to-door approach can reach business actors who previously had no access or time to handle their own legality. Concrete examples like this also have the chance to motivate other SMEs in Gabugan who haven't joined the program, because tangible evidence is easier to get people involved than just theoretical explanations (Tin Agustiani; Gustina; Ika Yuanita, 2022).

The benefits reach three parties at once. Micro and small business owners get legal certainty and business legitimacy without having to leave their stalls or trouble themselves with online registration. The Gabugan village benefits from the registration and legalization of micro businesses at the village level, which is a first step in strengthening local economic governance. For me personally, this program becomes a direct practice space for legal knowledge within the community, while also training communication skills and empowerment approaches based on the real needs of the residents.

CONCLUSION

The individual work program "Door-to-Door Assistance for Creating MSME NIB" in Gabugan Village, Tanon Subdistrict, Sragen Regency, has made an initial positive contribution to strengthening the legal status of local MSMEs. Most residents don't have a NIB not because they don't want to, but because they're busy running their businesses and not tech-savvy, so the door-to-door approach proved to be the right way to reach them. Out of the target of 15 MSMEs, only 2 were fully assisted until their NIBs were issued, well below the plan due to time constraints. Still, this achievement is real: two business owners now hold official legal status that lasts a lifetime. This program also proves that students, especially from Law, can directly contribute to empowering the village economy through practical legal assistance that aligns with the real conditions of the residents.

From the results and discussion above, there are a few things worth recommending for the sustainability of the program and the parties involved. UMKM entrepreneurs in Gabugan who don't yet have a NIB should get it as soon as possible; the process is easy, free, and only takes about an hour. The Gabugan Village Government should consider a sustainable business legality assistance program, including regular socialization about the importance of NIB, and collaborate with relevant agencies such as the Cooperatives and UMKM Office, so that business actors who haven't been reached by this program can still receive guidance in the future. For the next KKN students, it's recommended that the door-to-door visit schedule be made more flexible from

the start by considering the free time of UMKM actors, extending the program duration, and involving more team members so that the number of SMEs that can receive assistance also increases.

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