

Improving the Role of Kutiom Village-Owned Enterprise (VOE) as a Rural Economic Driver in Tunoe Village, East Miomaffo Sub-District, North Central Timor District

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ABSTRACT

This community service activity aims to increase the institutional capacity of VOE Kutiom through business management training, optimizing product marketing, and diversifying superior products. This activity also aims to strengthen the synergy between VOE, village governments, and communities in order to create an inclusive and sustainable economic ecosystem. Using a qualitative approach, this activity identifies the main constraints faced by VOE and facilitates capacity building on local potential management. Data were collected through interviews, focus group discussions (FGDs), and direct observation during April-May 2025. Findings point to limited managerial skills and weak business planning as key challenges. The program improved business planning skills, produced two new products, and expanded the VOEs' digital marketing reach. These results demonstrate the effectiveness of collaborative strategies in promoting entrepreneurship and institutional strengthening in villages.

INTRODUCTION

Tunoe Village is located in East Miomaffo Sub-District, North Central Timor District, East Nusa Tenggara. The village has an area of approximately 5.70 km² and is inhabited by 464 men and 489 women with the majority of the population working in the agriculture, livestock and traditional craft-based small businesses. The abundant potential of natural resources, such as agricultural land, plantation products (corn, cassava, and beans), as well as cattle, pig, goat, and poultry farming, should be the main capital in driving the village economy. However, limitations in management and marketing mean that this potential has not yet had a significant impact on community welfare.

Village-Owned Enterprises (VOE) are strategic instruments in rural economic development that aim to improve community welfare through independent and sustainable management of local potential. In Tunoe Village, Kutiom VOEs has been established as a village enterprise that is expected to be the main driver of the local economy. The village has various local economic potentials that can be developed into superior commodities. In addition, the village's strategic position in the regional economic network provides opportunities for community-based business development. However, despite its potential resources, Kutiom VOEs still faces various obstacles in its operations and management.

Kutiom VOEs was established in 2017 with the aim of improving the village economy through the management of local potential-based business units. Currently, Kutiom VOEs has several business units, namely Trading of agricultural products (purchase and sale of village agricultural commodities); Cattle and goat farming as an additional source of income for the community; and a savings and loan business that provides access to capital for villagers. However, various constraints mean that these business units have not developed optimally and the contribution of VOE to the village economy is still minimal. Based on observations and interviews with the management of Kutiom VOEs and the Tunoe Village community, several main problems were found, namely: Lack of Managerial Capacity and Human Resources; Limited Ability to Diversify Superior Products; Lack of Access to Marketing and Technology; Lack of Business Diversification; Low Community Participation; and Lack of Synergy with Stakeholders.

Kutiom VOEs has great potential to be the driving force of the village economy by utilizing available local resources. Various obstacles such as limited management, capital, marketing, and product innovation are still the main obstacles in its development. Therefore, intervention programs are needed to increase the capacity of VOE to contribute more to the village economy. With the right solutions in place and the active involvement of the community, Kutiom VOEs has the potential to become a successful village business model that can be replicated in other areas with similar characteristics.

The focus of this community service activity is to increase the role of Kutiom VOs as a Rural Economic Driver in Tunoe Village. These include strengthening the capacity of VOs' human resources through direct training and mentoring; increasing the diversification of village superior products by utilizing local resources; implementing digital technology in marketing VOs' products to expand market reach; and strengthening networks with stakeholders, including local governments, universities, and the private sector.

IMPLEMENTATION AND METHODS

Implementing an activity, it is important to have a method that is used as a means to an end. The method used in this community service activity is outreach methods in the form of participatory and educational approaches through training, mentoring, and group discussions. This activity was carried out at the Tunoe Village Hall for 3 days on March 10-12, 2025, by presenting village officials, VOE Kutiom management and community representatives from various elements totaling 35 people.

The activity began with the identification of Kutiom's VOE institutional problems through interviews with management, village officials, and community representatives. Based on these results, training materials were developed that included:

1. Village enterprise management, such as business plan development, simple financial management, and operational strategies.
2. Digital marketing, with a focus on utilizing social media (Facebook, Instagram, and WhatsApp Business) for product promotion and sales.
3. Product diversification, including identification of local potential, improved packaging, and new product trials.

The material is delivered through interactive lectures, simulations, case studies, and hands-on practice. The activity was followed by a technical assistance session to ensure effective and sustainable knowledge transfer.

RESULTS AND DISCUSSION

This community service activity was carried out through three main stages: problem identification, training and mentoring, and evaluation of results. The first stage began with the identification of the Kutiom VOs institutional problems, conducted through interviews with VOE administrators, village officials, and community representatives. The identification results showed weaknesses in business planning, product marketing, and lack of variety of superior products.

The second stage was training and mentoring, which was conducted in three main sessions:

1. Training on village business management, including the preparation of business plans, simple financial management, and development strategies for VOE business units.
2. Digital marketing training, with material on the use of social media (Facebook, Instagram, WhatsApp Business) as a medium of promotion and customer communication.

3. Product diversification workshop, in the form of identifying potential local products, improving packaging quality, and developing two new products based on village resources.

The activities were conducted interactively using lectures, discussions, case studies, and hands-on practice. The training material was delivered by a team of community servants and local resource persons who have experience in the field of village entrepreneurship as attached in Figure 1 and the handover of the VOE management handbook in Figure 2.

The results of the activity showed an increase in the understanding and skills of VOE administrators in preparing business plans and utilizing social media. Two new products were successfully developed, and digital promotions began on a regular basis. One of the indicators of success is increased interaction on social media and more local customers who are aware of VOE products. Observations also showed the enthusiasm of the community in supporting VOE activities, particularly in product trials.



Figure 1. Training and Mentoring by Local Teams and Resource Persons



Figure 2. Handover of BUMDes Management Handbook

This finding strengthens the argument that participatory and educative approaches are effective in encouraging the strengthening of village economic institutions. Moreover, the synergy between VOE, village governments and communities are the key factors in creating a more inclusive and sustainable ecosystem.

The following tables and graphs show a list of training materials, forms of activities, and number of participants, pre- and post-activity comparisons showing product diversification, progress in the level of understanding of training participants, and a graph of increased social media activities of VOE Kutium.

Table 1. List of Training Materials, Activities, and Number of Participants

No	Training Materials	Activity Forms	Number of Participants (Persons)
1	Village Business Management	Training + Discussion	30
2	Digital Marketing	Workshop + Practice	30
3	Product Diversification	FGD	29

Table 2. Comparison Before and After the Activity

Aspect	Before Activities	After Activities
Number of Featured Products	2 Product (old)	5 Products (3 new products are developed)
Active social media	Inactive	Facebook & WhatApp active
Promotion frequency per month	0-1 time	4 times

Table 3. Development of Trainees' Level of Understanding

Topic	Before Training	After Training
Business Management	2.4	4.2
Digital Marketing	2.0	4.5
Product Diversification	2.1	4.3

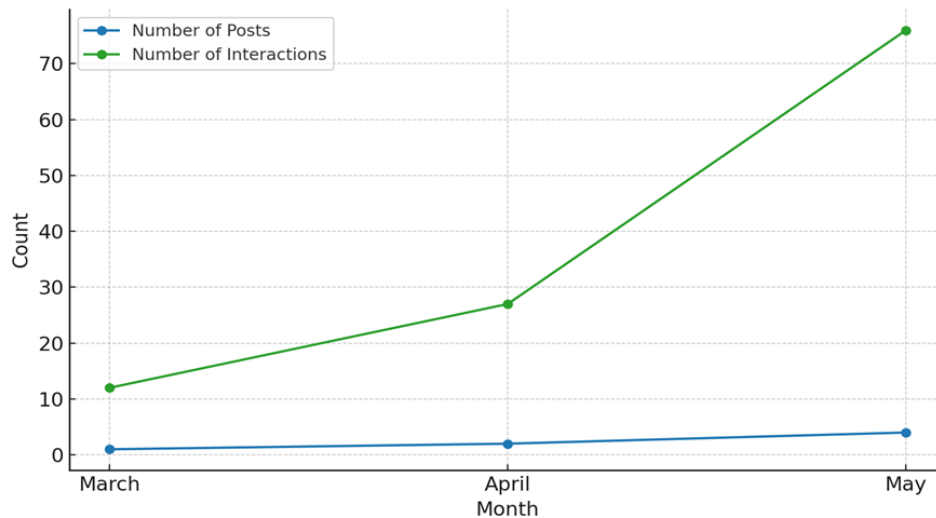


Figure 3. Increased Social Media Activity of VOE Kutiom

CONCLUSIONS AND RECOMMENDATIONS

The community service programme implemented in Tunoe Village succeeded in increasing the institutional capacity of VOE Kutiom as a village economic driver. Through training in business management, social media-based marketing optimisation, and superior product diversification, there was a significant increase in the understanding and skills of VOE operators. Moreover, the synergy between VOE, village governments and communities is strengthened, creating the foundation for a more inclusive and sustainable village economic ecosystem.

1. Village governments are advised to continue assisting VOE in developing long-term business plans that are adaptive and based on local potential.
2. VOE Kutiom needs to optimise the consistent use of social media as a means of promotion and communication of superior products.
3. Village communities are expected to be more actively involved in VOE activities to foster a sense of ownership and expand local economic impact.
4. Further programmes such as digital entrepreneurship training and the establishment of a marketing network between VOE in North Central Timor District are recommended.
- 5.

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