Evaluation of Critical Success Factor Through HOT-FIT Method for the Implementation of e-KOlab (Electronic Consignation, Franchise, Organizational Network) as a Strategy to Scale-up SMEs

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Abstract---The purpose of this study is to evaluate the Critical Success Factors for the implementation of e-KOlab using the HOT-Fit approach so that indicators can be obtained that have a significant effect on the net benefits of the application for SMEs in Bali under the guidance of IWAPI Bali. The research sample is MSME actors under the guidance of IWAPI Bali who uses the e-Kolab application. MSMEs are spread across 9 regencies/cities, namely: Buleleng, Klungkung, Tabanan, Karangasem, Denpasar, Bangli, Badung, Jembrana, and Gianyar. Therefore, the sampling used the Saturated Sampling method so that there were 145 people who had indeed participated in the e-Kolab application testing and its utilization. The data analysis technique used in this study is SEM with the Variance or Component-Based (VB-SEM) approach with the PLS technique. The results of the Critical Success Factor evaluation through the HOT-FIT Method on the Implementation of e-KOlab as a strategy for SMEs to Scale Up indicate that there is a need for improvement in System quality,

system use, the role of the Office, and the role of the Service. That is, 4 of the 13 hypotheses in this study were rejected.

Introduction

COVID-19 as a global pandemic has a very significant impact on all aspects of Balinese people's lives, both in terms of health, economy, society, and culture, especially tourism as the economic heart of Bali. Social protection programs have been carried out to ease the burden on people who are vulnerable to being affected. Meanwhile, the capital program and interest subsidies are provided for business protection. These programs are to increase economic resilience during a pandemic, but it is very important to strive for recovery and increase economic competitiveness after the pandemic (Chinyere, 2021; Plyth & Craham, 2020). Economic competitiveness needs to be developed by increasing the local potential of Bali which is rich in arts and culture. Creative economic support that upholds local wisdom with the concept of "Pang Pade Payu" or or "to be together" or "to be together" is expected to be a synergy between institutions, capital, SME players, and the market. The problems faced by SMEs in Bali are generally the same as those faced by SMEs in other areas, namely:

- The managerial aspect is weak because the assisted SMEs are still running their business with the old methods during the COVID-19 Pandemic (weak in the managerial aspect).
- Access to investment or capital is still weak so that it has not been able to develop business and get investors (weak in the aspect of business capital).
- Access to form mutually beneficial collaboration networks with various parties in business development and market access expansion.
- Aspects of institutional improvement to strengthen strategies/patterns of sustainable SME development so that they can carry out a digital "sharing economy" in conducting their business by sticking to "Pang Pade Payu"

Therefore, there needs to be a technological innovation breakthrough other than the marketplace as a form of resilience. A new platform that brings together SME players with Pentahelix/Multi Stakeholders (Investors, Franchisors, Consignors, Suppliers, Distributors, other organizations/institutions, with SMEs). Therefore, an application was developed for SME women entrepreneurs to collaborate and be encouraged to compete. Therefore, the research team builds and implements e-KOlab (Electronic Consignment, Franchising, and Organizational Networks) which will be based on a website and android. The strategy in this application can support SMEs to scale up and become a Model Business Continuity Plan (BCP) that moves many elements to collaborate and compete together (Sabodash et al., 2021; Idawati & Sumartini , 2020).

This application is used to bring together SMEs under the guidance of the Indonesian Women Entrepreneurs Association (IWAPI) Bali with partners both horizontally (fellow SMEs) and vertically (with more established companies, namely: franchisees, consignors, collaborations, organizational networks, and aid

management business legality). IWAPI is an organization that voices and supports the interests of SMEs owned and operated by women entrepreneurs at national and local level policies. IWAPI is a non-profit organization with various branches in 256 and 30 provinces. IWAPI members are small entrepreneurs/SMEs (85%), some are middle-level entrepreneurs (12%) and the rest are large businessmen (3%) (http://iwapi.id/profile-mission/). They can interact in this application and can continue through communication through social media. All data is monitored by the IWAPI admin including interactions between them (horizontally and vertically).

This organizational network concept is the matching business flow of the e-KOlab application. Organizational networks can be formed when SMEs enter the digital ecosystem which of course connects them with various parties. The connectivity that is formed will lead to a "sharing economy" and "coopetition". In general, this type of SME is managed by women and even housewives who have limited skills in using computers. This can be overcome by using an application. Utilization of the application will generate marketing channels, increase revenue, and lower advertising costs. It is hoped that the use of the application will increase the competitive advantage and MSME products will be widely known in the community (Hidayat & Rohana, 2019).

This is also in line with what is stated in the results of the study (Febrianty & Divianto, 2017), with the findings: a). The Entrepreneurial Action Group affects the performance results of SMEs based on the creative economy, b). The Entrepreneurial Action Group has an effect on the internalization of the role of Quadruple Helix innovation based on the Creative Economy, c). Internalization of the Role of Quadruple Helix Innovation has no effect on the Performance of the Creative Economy-SMEs, d). Entrepreneurial Action Group and Internalization of the Role of Quadruple Helix Innovation have an impact on the Performance of Creative Economy-Based SMEs. Likewise with research (Hadiwijaya, 2018). Based on the results of these studies, it can be concluded as follows: 1). There is a positive and significant influence of absorption and knowledge sharing on the performance of SMEs who are members of Alisah Khadijah ICMI Palembang, 2). The absorption variable has a stronger influence than the knowledge sharing variable on the performance of the SME group who are members of Alisah Khadijah ICMI Palembang.

The solution to the problems faced by SMEs in Bali can also be by introducing and implementing a consignment and franchise cooperation system. (Karyawati, 2009), states that the consignor determines the consignee as the party responsible for the goods handed over to him until these goods are sold to a third party. Consignment sales are different from regular sales. In ordinary sales, generally, the ownership of the goods has changed hands if the goods have been sent by the seller to the buyer, while in consignment sales the ownership of the goods remains in the hands of the custodian. The new ownership rights change hands if the goods have been sold by the commissioner to another party.

Likewise with the franchise system, where SMEs still do not see the potential and opportunities of the cooperation system with franchises. In fact, this system can be an option for business development and increasing business competitiveness.

Franchising business operations in Indonesia are regulated in Government Regulation of the Republic of Indonesia Number 42 of 2007 concerning Franchising. This government regulation states that (franchise) is a person or business entity that has special rights to market goods and/or services that have been proven to work together with other parties based on a franchise agreement. Franchisor is a person or business entity that grants the franchisee the right to utilize and/or use the product, while the Franchisee is a person or business entity that is granted rights by the Franchisor. Thus it can be said that the franchise system is an agreement that binds both parties regarding the method of distributing goods or services to consumers, where the franchisee within a certain agreed period and area grants a license to carry out the distribution under the name of the franchisee's identity and attributes. The business must, of course, be carried out in accordance with the Standard Operating Procedure (SOP) and the method determined by the franchisee (Utami & Lantu, 2014; Ibegbulem, 2021).

Furthermore, other provisions that support legal certainty regarding the support for the application of franchising, namely: Decree of the Minister of Industry and Trade of the Republic of Indonesia No. 259/MPP/KEP/7/1997 Dated July 30, 1997, concerning Provisions on Procedures for Implementing Franchise Business Registration; Regulation of the Minister of Industry and Trade of the Republic of Indonesia No. 31/M-DAG/PER/8/2008 concerning the Implementation of Franchising; Law No. 14 of 2001 concerning Patents; Law No. 15 of 2001 concerning Brands; and Law no. 30 of 2000 concerning Trade Secrets.

(Febrianty & Fatmariani, 2020), where Febrianty is one of the proposing members of the e-franchise system can provide market expansion solutions for SMEs and increase the grade of SME players to be classier. E-business technology that supports Making Indonesia 4.0 will be able to increase the competitiveness of Creative Industry Group SMEs. This Creative UKM e-Franchise is a system specifically for SME groups, to expand the network/reach in product marketing and create investment access that will strengthen SME capital and create new SME actors. Thus this system can be said of, by, and for SMEs so that SMEs can progress together. This is intended to be able to spur creative industry SMEs to become big franchisees and many other SME franchises have sprung up which are initiated by partners. In addition, this Creative UKM e-Franchise also functions as e-commerce that makes it easy for potential consumers to see firsthand the various handicraft products produced by partners, and at the same time, they can make purchase transactions and even order the desired products. (Wibawanti, 2009), states that franchising is believed by some business people as a business that will continue to provide opportunities. Its development is also quite rapid from year to year, both foreign and local franchises. According to data from the International Franchise Association in 2015 there were about 780 thousand franchises in the world and the impact of opening 8.9 million jobs. In Indonesia itself, the franchise business is recorded to have made a positive contribution to the national economy. Franchising also keeps the economy spinning in the midst of an economic downturn. Director General of Domestic Trade at the Ministry of Trade, Oke Nurwan, said that in Indonesia there are 698 franchises with 24,400 outlets consisting of 63% local franchises and 37 percent foreign franchises. According to him, the franchise industry in Indonesia with a turnover of Rp. 172 trillion will continue to grow along with technological

innovations carried out by industry players in the sector. (http://www.kemendag.go.id/, 2016).

However, the success of a strategy that favors an application still requires evaluation, especially when it is parallel to the implementation of the application. Evaluation of the implementation of e-KOlab, of course, needs to do a critical success factor analysis.
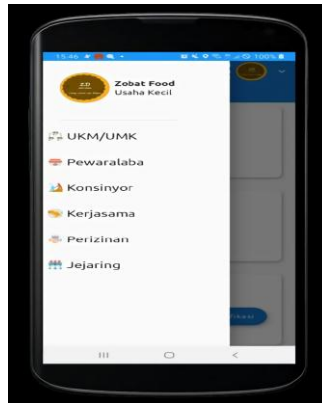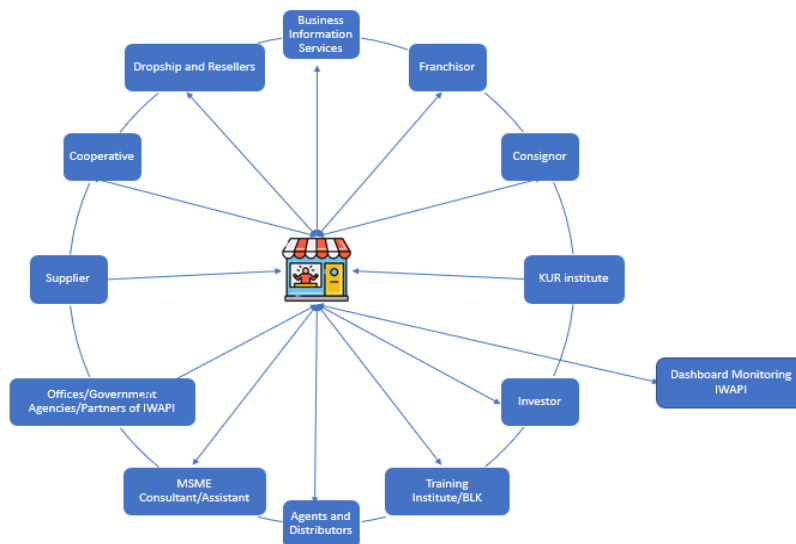

Figure 1. Display of e-KOlab (ekolab.id)

Figure 2. The flow of e-KOlab business matching

The success of a system depends on how the system is run, the ease of the system for its users, and the use of the technology used (Goodhue & Thompson, 1995). However, the ability to describe and detail the CSF to evaluate implementation success. CSFs can be used to guide organizations in developing strategic plans (Munro & Wheeler, 1980), setting guidelines for corporate activities (Dickinson et al., 1985), identifying critical issues related to the implementation of strategic plans (Boynton & Zmud, 1984), and can be used by managers and organizations to help achieve maximum performance (Laosethakul & Boulton,

2007). The aim of the study (Laosethakul & Boulton., 2007), was to identify and explain the critical success factors (CSFs) for e-commerce in Thailand. These findings provide a framework as a basis for developing e-commerce enterprises in Thailand and other developing countries with appropriate culture and infrastructure. Research (Holotiuk & Beimborn, 2017), results that the development of digital technology has an impact on the development of corporate strategy. This study develops a Digital Business Strategy (DBS) framework, based on a structured review of 21 industry reports. The result is 8 main dimensions for a total of 40 CSFs for Digital Business Strategy. CSF evaluation can determine the sustainability of a program. Research by (Sobieraj & Metelski, 2021), his study identified a number of CSFs for investment projects in Poland which is the best combination of parameters in space of all possible models, and hence their posterior inclusion probability (PIP) which provide strong, moderate, and weak evidence.

If the program implementer does not master the CSF, it will be difficult to measure work achievement and performance. Performance measurement, monitoring, and reporting will produce information that is not optimal for achieving the organization's strategic goals. In addition to relevance to strategic objectives, performance measurement that is not based on CSF will only cost money without optimal results (Caralli et al., 2004). A study at the Consortium for Global Electronic Commerce (CGEC) has confirmed that most of the initial value propositions often end up not being delivered due to issues related to technology, business processes, and/or people/organizational issues (Consortium for Global Electronic Commerce (CGEC), 2002). This research will refer to the HOT – Fit framework. The HOT Fit method is a successful model that can be used in evaluating information systems proposed by (Yusof et al., 2006). The HOT-Fit theory is aimed at the core components in information systems, namely Human–Organization– Technology and the compatibility between the three components.
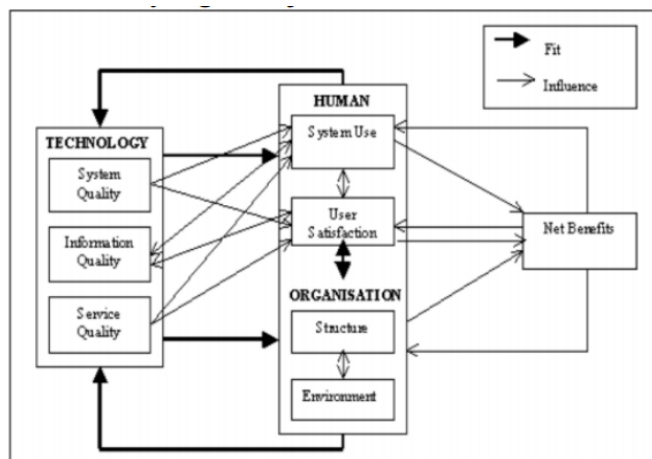

Figure 3. HOT-Fit framework
Source: (Yusof et al., 2006)

Humans are the first component as an indicator of assessment in terms of system use and user satisfaction. The second component is the organization that

assesses the system from the structural and environmental aspects of the organization. The organizational structure consists of type, culture, politics, hierarchy, planning and control systems, strategy, management, and communication. Top management and support staff are an important part of measuring system success. While the organizational environment consists of sources of financing, government, politics, competition, inter-organizational relations, and communication. Therefore, the organizational components are set with assessment indicators covering the organizational structure and organizational environment (Arrow et al., 1995; Timmons & Bygrave, 1986). The third component, namely technology, consists of system quality, information quality, and service quality. So, the purpose of this study is to evaluate the Critical Success Factors for the implementation of e-KOlab using the HOT-Fit approach so that indicators can be obtained that have a significant effect on the net benefits of the application for SMEs in Bali under the guidance of IWAPI Bali.

Research Methods

The research sample is MSME actors under the guidance of IWAPI Bali who uses the e-Kolab application. MSMEs are spread across 9 regencies/cities, namely: Buleleng, Klungkung, Tabanan, Karangasem, Denpasar, Bangli, Badung, Jembrana, and Gianyar. Therefore, the sampling used the Saturated Sampling method so that there were 145 people who had indeed participated in the e-Kolab application testing and its utilization. The data analysis technique used in this study is Structural Equation Modeling (SEM) with the Variance or Component-Based (VB-SEM) approach with the Partial Least Squares (PLS) technique. The research flow is presented in the image below:
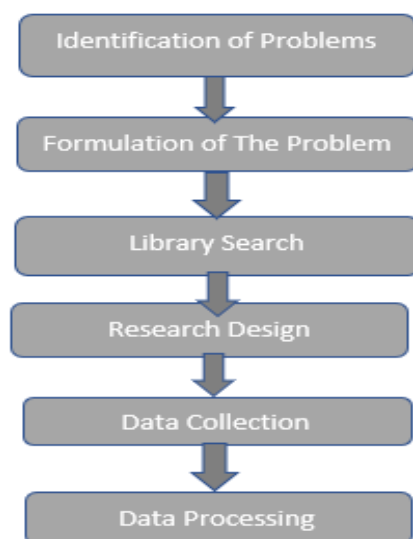

Figure 4. Research flow (Zainal, 2007)

There are two types of data used in this study, namely primary data and secondary data. Primary data are data obtained directly from the first source, namely users of the e-KOLab application. Data collection was done by using a

questionnaire as an instrument. Secondary data: from books, documents, literature, and scientific publications related to research. Data analysis in this study, using descriptive analysis, namely descriptive statistical analysis is an analysis by converting raw data into a form that is easier to understand and interpret. This analysis provides an overview or description of data (Ghozali, 2006), and inferential analysis using partial least squares (PLS) analysis. Steps - steps (standard) Data Analysis with PLS: 1) Designing a Structural Model (Inner Model). 2) Designing the Measurement Model (Outer Model). 3) Convert Path Diagram to System of Equations. 4) Estimation: Weight, Path Coefficient, and Loading. 5) Evaluation of Goodness of Fit. 6) Hypothesis Testing (Resampling Bootstrapping).

Hypothesis

H1: The quality of the system has a positive and significant effect on the use of the system
H2: System quality has a positive and significant effect on user satisfaction
H3: The quality of information has a positive and significant effect on the use of the system
H4: The quality of information has a positive and significant effect on user satisfaction
H5: Service quality has a positive and significant effect on the use of the system
H6: Service quality has a positive and significant effect on user satisfaction
H7: User satisfaction has a positive and significant effect on the use of the system
H8: The role of service has a positive and significant impact on the coaching area
H9: the use of the system has a positive and significant effect on net benefits
H10: user satisfaction has a positive and significant effect on net benefits
H11: The role of office has a positive and significant effect on net benefits
H12: coaching area has a positive and significant effect on net benefits
H13: The role of the service has a positive and significant effect on user satisfaction

Analysis and Results

Confirmatory Factor Analysis (CFA)

Confirmatory factor analysis is used to test the dimensions of a theoretical construct, or often referred to as testing the validity and reliability of a theoretical construct. The construct dimension validity test was carried out by looking at the standard factor load values of each indicator in the overall model (full model) (Perrigot et al., 2021; Acemoglu, 2012). The validity indicator is declared valid if it has a standard factor load value greater than 0.5. The reliability test was carried out by looking at the Composite Reliability value on the full model. The reliability indicator is declared good if it has a value > 0.6.

Table 1
Confirmatory Factor Analysis (CFA)

Classification	Variabel	construct	Loading factor (> 0,5)	Composite Reliability (> 0,7)	description
Tech nolog y	System Quality (SQ)	SQ1	0.785	0.873	Valid & Reliable
		SQ2	0.837		Valid & Reliable
		SQ3	0.872		Valid & Reliable
		SQ4	0.805		Valid & Reliable
		SQ5	0.828		Valid & Reliable
	Informat ion Quality (IQ)	IQ1	0.797	0.865	Valid & Reliable
		IQ2	0.889		Valid & Reliable
		IQ3	0.788		Valid & Reliable
	Service Quality (SvQ)	SvQ1	0.788	0.915	Valid & Reliable
		SvQ2	0.853		Valid & Reliable
		SvQ3	0.862		Valid & Reliable
Orga nizati on	Role of the Office (PD)	PD1	0.858	0.919	Valid & Reliable
		PD2	0.861		Valid & Reliable
		PD3	0.850		Valid & Reliable
		PD4	0.837		Valid & Reliable
		PD5	0.751		Valid & Reliable
Hum an	System Use (SU)	SU1	0.810	0.879	Valid & Reliable
		SU2	0.744		Valid & Reliable
		SU3	0.756		Valid & Reliable
		SU4	0.762		Valid & Reliable
		SU5	0.778		Valid & Reliable
Hum an	User Satisfact ion (US)	US1	0.918	0.931	Valid & Reliable
		US2	0.921		Valid & Reliable
		US3	0.873		Valid & Reliable
		US4	0.799		Valid & Reliable
Orga nizati on	Coachin g Area (WP)	WP1	0.841	0.921	Valid & Reliable
		WP2	0.858		Valid & Reliable
		WP3	0.804		Valid & Reliable
		WP4	0.853		Valid & Reliable
		WP5	0.827		Valid & Reliable
	Net Benefit (NB)	NB1	0.831	0.950	Valid & Reliable
		NB2	0.864		Valid & Reliable
		NB3	0.814		Valid & Reliable
		NB4	0.858		Valid & Reliable
		NB5	0.847		Valid & Reliable
		NB6	0.868		Valid & Reliable
		NB7	0.896		Valid & Reliable

Source: Results of Research Data Processing (2021)

Table 1. shows that all indicators on Exogenous and Endogenous variables have been proven valid. The results of reliability calculations with exogenous and endogenous Composite Reliability variables also show that the variables of System Quality, Information Quality, Service Quality, Office Role, System Use, User Satisfaction, Development Area, and Net Benefits, have good reliability. so that it can be analyzed further.

Partial Least Square (PLS) analysis

The next analysis applied is Partial Least Square (PLS) analysis. This PLS analysis is carried out in full model without involving invalid indicators. Here in Figure 2 are the results of the PLS.
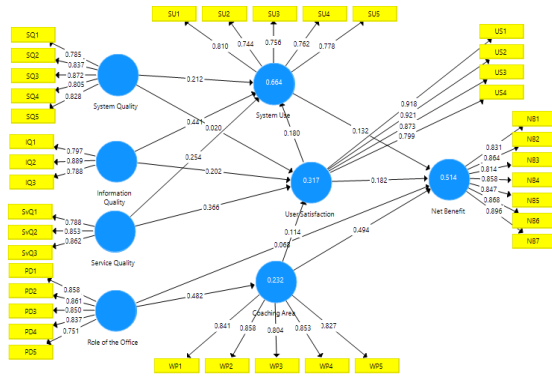
Figure 5. Model results of SEM-PLS
(PLS Algorithm)

The goodness of fit index

Goodness of fit index

The goodness of fit (GoF) test is used to validate the overall model. This GoF index is a single measure that is applied to test the performance of the combined measurement model (outer model) and structural model (inner model). The GoF index value is formulated from the average communality index multiplied by the R² model.

$$GoF = \sqrt{\overline{Com} \; x \; \overline{R}^2}$$
$$GoF = \sqrt{0,906 \; x \; 0,514}$$
$$GoF = 0,68$$

The calculation results show that the goodness of fit (GoF) value is good, which is 0.68.

Bootstrapping resampling

The design of the hypothesis test in this study is presented based on the research objectives. The level of confidence used is 95%, so the level of precision or the limit of inaccuracy is (α) = 5% = 0.05. This will produce at-table value of 1.96.
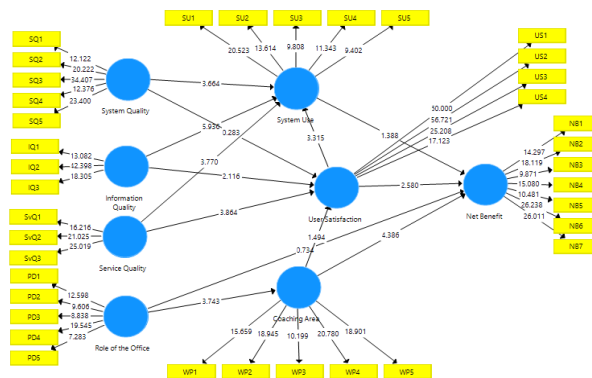

Figure 6. SEM-PLS results model (Bootstrapping)

Table 2
Coefficient and t-count values at the 5% level

Hypo thesis	Path	Coeff icient	T Statis tics	P Values	Descriptio n
H1	System Quality -> System Use	0.212	3.664	0.000	Significant
H2	System Quality -> User Satisfaction	0.020	0.283	0.778	Not Significant
H3	Information Quality -> System Use	0.441	5.936	0.000	Significant
H4	Information Quality -> User Satisfaction	0.202	2.116	0.035	Significant
H5	Service Quality -> System Use	0.254	3.770	0.000	Significant
H6	Service Quality -> User Satisfaction	0.366	3.864	0.000	Significant
H7	User Satisfaction -> System Use	0.180	3.315	0.001	Significant
H8	Role of the Office -> Coaching Area	0.482	3.743	0.000	Significant
H9	System Use -> Net Benefit	0.132	1.388	0.166	Not Significant
H10	User Satisfaction -> Net Benefit	0.182	2.580	0.010	Significant
H11	Role of the Office -> Net Benefit	0.068	0.734	0.464	Not Significant
H12	Coaching Area -> Net Benefit	0.494	4.386	0.000	Significant
H13	Coaching Area -> User Satisfaction	0.114	1.494	0.136	Not Significant

Source: Results of Research Data Processing (2021)

Based on Table 2. shows that H2 in the study was rejected. System quality has a positive and not significant effect on user satisfaction. System quality itself is a technological factor. This is because e-Kolab has just begun to be used so it has not shown satisfaction for SME users/actors. improvement and improvement of technical quality, namely system quality, information quality, and service aspects of information system providers will increase the use of the system so that users are familiar, easier to operate through training so that it can further increase user satisfaction (Umble et al., 2003; Dant & Nasr, 1998).

Likewise, based on Table 2. shows that H9 in the study was rejected. Where system use has a positive and not significant effect on net benefits. The system used as a human factor will be shown by the more precise and good quality of technology applied to humans, the more useful a system is due to satisfaction in terms of its use. So that the quality of the partnership will increase, according to the purpose of implementing e-KOlab. Table 2. also shows that H11 and H13 in the study were rejected. Where The role of the Office has a positive and not significant impact on net benefits and the role of the Service has a positive and not significant effect on user satisfaction. The role of the Office and the role of the Service are organizational factors. This can be achieved through strategies and management such as support from the provincial government of Bali and local governments, teamwork, and effective communication formed by involving many

stakeholders with an interest in the development of SMEs Scale Up (Sun et al., 2005; Alias et al., 2014).

Based on the table above, the following equation is obtained:

- Sub-Structural Equation-1:
  SU = 0,212*SQ + 0,441*IQ + 0,254*SvQ + 0,180*US
  Based on the sub-structural model-1, it can be explained that SU is influenced by SQ, IQ, SvQ, and US. The magnitude of the influence of SQ on SU is 0.212, SQ has a positive and significant effect on SU. IQ to SU is 0.441, IQ has a positive and significant effect on SU. SvQ on SU is 0.254, SvQ has a positive and significant effect on SU and US on SU is 0.180, US has a positive and significant effect on SU.
- Sub-Structural Equation-2:
  US = 0.020 *SQ + 0.202*IQ + 0.366 *SvQ + 0.114*WP
  Based on the sub-structural model-2, it can be explained that US is influenced by SQ, IQ, SvQ and WP. The magnitude of the influence of SQ on the US is 0.020, SQ has a positive and not significant effect on the US. IQ to the US is 0.202, IQ has a positive and significant effect on the US. SvQ to US is 0.366, SvQ has a positive and significant effect on US. and WP to US is 0.114, WP has a positive and not significant effect on US.
- 3. Sub-Structural Equation-3:
  WP = 0.482*PD
  Based on the sub-structural model-3, it can be explained that WP is influenced by PD. The magnitude of the influence of PD on WP is 0.482, PD has a positive and significant effect on WP.
- Structural Equation:
  NB = 0,132*SU + 0,182*US + 0,068*PD + 0,494*WP
  Based on the structural model, it can be explained that NB influences SU, US, PD, and WP. The magnitude of the influence of SU on NB is 0.132, SU has a positive and not significant effect on NB. US against NB is 0.182, US has a positive and significant effect on NB. PD to NB is 0.068, PD has a positive and not significant effect on NB, and WP to NB is 0.494, WP has a positive and significant effect on NB.

Table 3
Indirect effect

Path	Indirect Effects
Role of the Office -> Coaching Area -> Net Benefit	0.238
Information Quality -> System Use -> Net Benefit	0.058
Service Quality -> System Use -> Net Benefit	0.033
System Quality -> System Use -> Net Benefit	0.028
Coaching Area -> User Satisfaction -> System Use -> Net Benefit	0.003
Role of the Office -> Coaching Area -> User Satisfaction -> System Use -> Net Benefit	0.001
Information Quality -> User Satisfaction -> System Use -> Net Benefit	0.005
Service Quality -> User Satisfaction -> System Use -> Net Benefit	0.009
User Satisfaction -> System Use -> Net Benefit	0.024
System Quality -> User Satisfaction -> System Use -> Net Benefit	0.000
Coaching Area -> User Satisfaction -> Net Benefit	0.021
Role of the Office -> Coaching Area -> User Satisfaction -> Net Benefit	0.010
Information Quality -> User Satisfaction -> Net Benefit	0.037
Service Quality -> User Satisfaction -> Net Benefit	0.066
System Quality -> User Satisfaction -> Net Benefit	0.004
Coaching Area -> User Satisfaction -> System Use	0.021
Role of the Office -> Coaching Area -> User Satisfaction -> System Use	0.010
Information Quality -> User Satisfaction -> System Use	0.036
Service Quality -> User Satisfaction -> System Use	0.066
System Quality -> User Satisfaction -> System Use	0.004
Role of the Office -> Coaching Area -> User Satisfaction	0.055

Source: Results of Research Data Processing (2021)

Table 3 shows that the influence of the Role of the Office on Net Benefit through the Coaching Area is greater with a value of 0.238. while the influence of System Quality on Net Benefit through User Satisfaction and System Use is smaller at 0.000. This means that the expansion of the role of IWAPI Bali is very much needed as the key to the success of the implementation of e-Kolab. IWAPI through the Regional Leadership Council (DPD) and the Branch Leadership Council (DPC) can expand its role in 9 districts/cities throughout Bali in the distribution of SMEs assisted by intensive training and mentoring activities because the e-KOlab application is still in the first year of introduction. Meanwhile, to achieve net benefits through User Satisfaction and System Use, it does require time and policy support from the regional/provincial government and IWAPI Bali leaders to make e-KOlab a partnership and collaboration solution that also increases

coopetition from SMEs. Because this e-KOlab innovation is not a marketplace but a collaboration application, it is time for MSMEs to consider collaboration in business development (Hassim et al., 2019; Chow & Cao, 2008).

Conclusion

The results of the Critical Success Factor evaluation through the HOT-FIT Method on the Implementation of e-KOlab (Electronic Consignment, Franchising, Organizational Networks) as a strategy for SMEs to Scale Up indicate that there is a need for improvement in System quality, system use, The role of the Office, and the role of the Service. That is, 4 of the 13 hypotheses in this study were rejected. And based on this research, the researchers present 9 indicators that have the potential to increase the net benefit from the use of the e-KOlab application. Therefore, it is necessary to support provincial/regional government policies, training, and education for SMEs, Communication Effective between the various stakeholders involved and need to be involved in the use of e-KOlab, and the management of the e-KOlab developer in accordance with the blueprint for the short, medium, and long term development of e-KOlab. Thus the Critical Success Factors contained in this study can be an initial reference for especially IWAPI Bali in developing its digitization strategy for the use of the e-KOlab application.

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