

ABSTRACT

Digital Transformation of BPRACo MSMEs by Designing IT Governance with COBIT 2019 Focus Area SMEs

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Along with the industrial revolution 4.0, incumbent organizations such as BPRACo need to carry out Digital Transformation (DT) so as not to be left behind. However, the implementation of DT has caused many failures due to suboptimal IT Governance (ITG). Previous research using the COBIT 2019 framework which focuses on information security, IT services and DevOps shows the importance of ambidextrous ITG (a hybrid of traditional and agile) for large scale banks. However, this approach has not been proven to also apply to small-scale banks. Therefore, this research aims to compile and design recommendations for priority ITG solutions for MSME scale banks and estimate the increase in maturity level capabilities to support DT success. This research focuses on digital transformation (DT) for Micro, Small and Medium Enterprises (MSMEs) in the sector banking, using the COBIT 2019 SME focus area framework. The background to this research is the importance of DT for organizations to remain competitive in the era of technological disruption and the Covid-19 pandemic. However, many organizations fail in implementing TD due to poor ITG. COBIT 2019, tailored for SMEs, offers a solution in the form of an ITG structure that is aligned with business and technology goals. This research adopts the Design Science Research (DSR) method to develop and test the ITG model that is suitable for MSMEs in the banking sector. Research steps include problem identification, needs determination, design and development, demonstration and evaluation that collected through semi-structured wawancaras and document triangulation. The research results show that the implementation of COBIT 2019 SME focus areas with three (3) TKTI priority objectives APO10 Managed Vendors, MEA03 Managed Compliance with External Requirements, and APO12 Managed Risk with an average capability maturity level of 3.38 can help MSMEs increase the effectiveness of DT by better ITG. This research also provides eighteen (18) recommendations for priority improvements based on resources, risk and value (RRV) with seven ITGM components and divided into three (3) aspects of people, process and technology, also risk, resources and value (RRV), as well as preparing an implementation roadmap to ensure DT success. Based on the findings of the analysis results, recommendations for improvement, and the influence of the BPRACo design, BPRACo can increase the average capability maturity level to 3.95 if implementation is carried out optimally. The benefit of this research is that it provides practical guidance for MSMEs, especially small banks, in implementing DT using COBIT 2019, so that it can increase competitiveness and operational efficiency.

Keywords— *IT Governance, Digital Transformation, COBIT 2019 SME Focus Area, BPRACo, MSME*