

ABSTRACT

DESIGNING IT GOVERNANCE FOR UMKM BPRCCO DIGITAL TRANSFORMATION BASED ON COBIT 2019 SME FOCUS AREA

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Along with the industrial revolution 4.0, incumbent organizations such as BPRCCo need to perform Digital Transformation (DT) to stay relevant. However, many DT failures are due to suboptimal IT Governance (ITG). Previous research shows the importance of traditional and agile hybrid ITG for large-scale banks with the utilization of the COBIT 2019 framework that focuses on IT services, information security, and DevOps. However, the relevance of this approach has not been proven for small-scale enterprises. Therefore, this study aims to compile and design recommendations for prioritized ITG solutions for SME and estimate the improvement of their maturity level capabilities to support DT success. This research utilizes the five stages of Design Science Research (DSR), namely problem identification, requirement specification, design and development, demonstration, and evaluation. Data was collected through semi-structured interviews and document triangulation, then analyzed using the SME focus area in COBIT 2019. Based on the design factor-based prioritization analysis and previous studies, three Information Technology Governance and Management (ITGM) objectives were found, namely EDM03 - Ensured Risk Optimization, APO12 - Managed Risk, and MEA03 - Compliance With External Requirements with an average capability maturity level of 3.38. Based on the gap findings, 16 essential solutions were recommended and designed based on the seven ITGM components. These recommendations are then compiled into an implementation roadmap as a priority reference for BPRCCo which is expected to increase its capability to 3.84 if implemented properly. This research contributes to the ITG knowledge base for DT at the SME level and provides practical implications for the management of similar organizations.

Keywords: *Digital Transformation, Design Science Research, Designing IT Governance, COBIT 2019 SME Focus Area, BPRCCo.*