

CHAPTER 4

SMALL SCALE MEDIUM ENTERPRISES PROFILE

This research is conducted by interviewing and observing four different small scale medium enterprises in Cluster 2 which have various basic material. The following chapter describes company profiles, business process descriptions, and also question lists of the interview and observation.

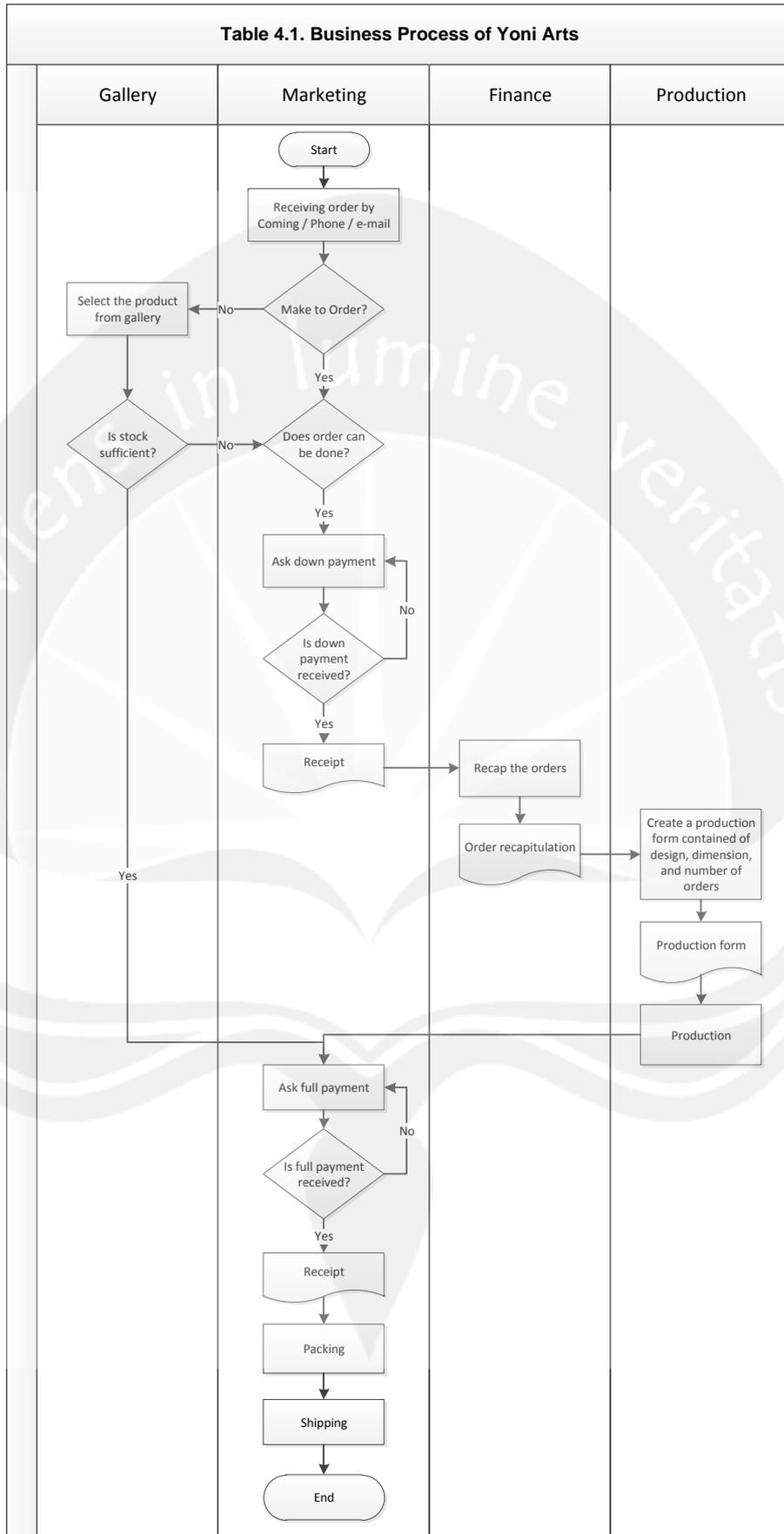
4.1. Profile and Business Process of Small Scale Medium Enterprises (SMEs)

4.1.1. Yoni Arts

Yoni Arts is one of Small Scale Medium Enterprises (SMEs) located in Kasongan Street, Bantul, Yogyakarta which produces various wood base products such souvenir, accessories, chair, table, furniture, sculpture, and others antique products basically processed from wood specifically scrap and used wood. Yoni Arts was established since 1998 founding by Mrs. Yuni. Currently the average monthly revenue is about Rp 100,000,000.-. Mrs. Yuni, her husband, and her child (Mr. Oki) who manage the enterprise currently employs 30 employees in production in which some of them do the tasks in their own house. Yoni Arts has a gallery to display the products and also workshop to support the production equipped with machines and tools for chiseling, cutting, sanding, finishing, and other related tools. Both gallery and workshop are located at Kasongan Street, Bantul, Yogyakarta.

Yoni Arts' has been internationally recognized while the customers are coming from whole the world such Yogyakarta, many cities in Indonesia, Asia, America, Europe, and Australia. Customers may custom the orders by giving the specifications and possibly directly choose what has been displayed in gallery, so that Yoni Arts is classified as Make to Order (MTO) and Make to Stock (MTS) industry. The products' difficulty may vary from a simple small size to a complex and huge dimension. Ironically, although Yoni Arts has been internationally recognized however the information system is manually applied while using internet such Whatsapp and e-mail only for communications.

Business process identification of Yoni Arts is obtained through direct observation and interviews with the owners as well as employees as shown in Table 4.1.



There are two kind of demand which are based on order and also product stock. The first one is customers may directly come and buy products from the gallery, if the amount is not sufficient then they need to indent for the products. Secondly, customers may also order the products by using their own design. Once the order is acceptable, then the owner asks down payment of at least 30%. Marketing department uses receipt which is contained Yoni Arts identity with 3 copies. Prior to the production, the owner gives a list of all orders recorded in receipts and emails to her husband. Later on, he makes production form for craftsmen in the form of paper containing the design, size, and number of products. The gallery and workshop photos are shown in Appendix 2 while information document photos of Yoni Arts are shown in Appendix 3.

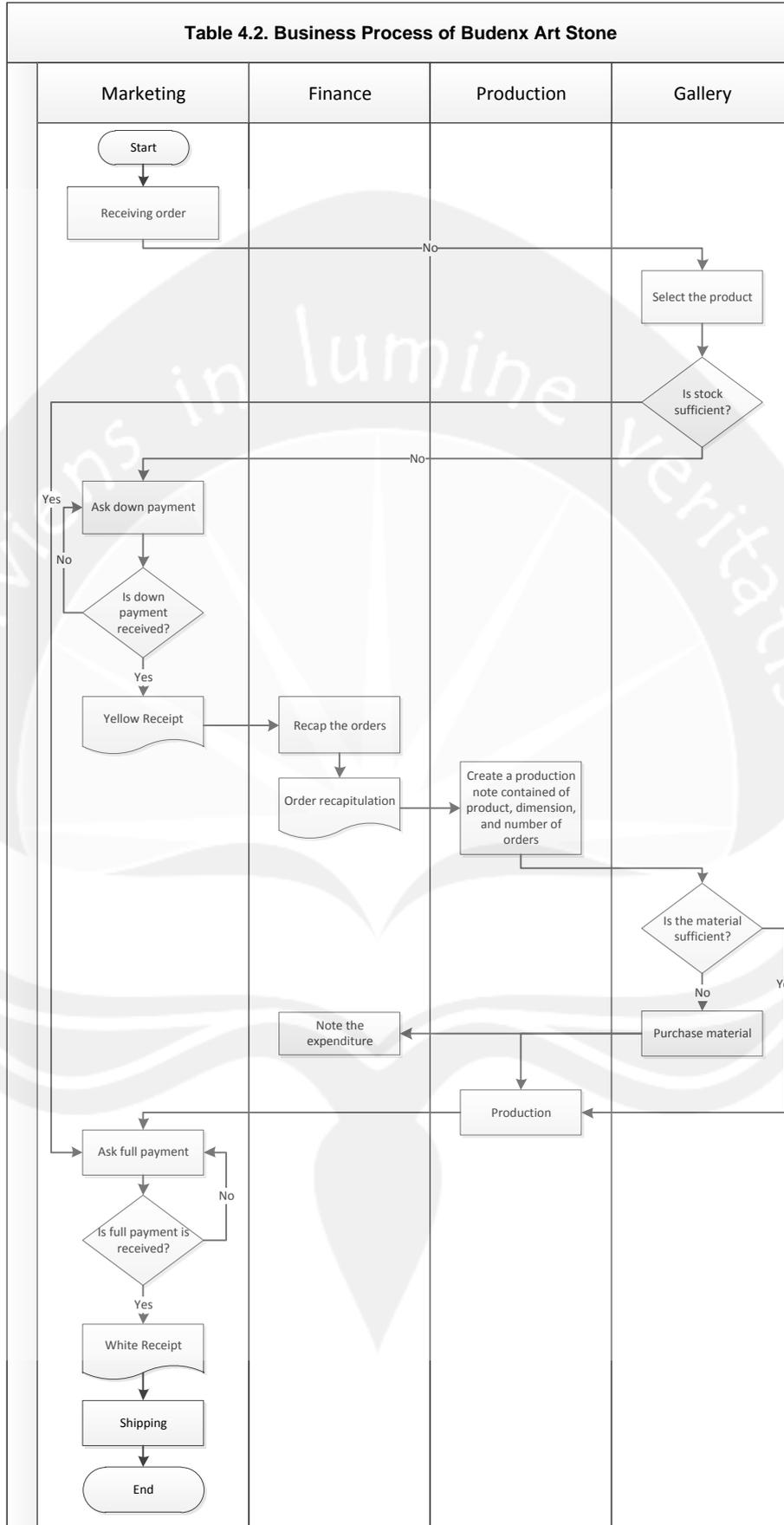
4.1.2. Budenx Art Stone

Budenx Art Stone is one of Small Scale Medium Enterprises (SMEs) located at Ringroad Utara No. 19 Pandansari, Condong Catur, Sleman, Yogyakarta which produces various white stone base products such ventilation, sculpture, and others home decorations basically processed from white stone taken from Gading, Wonosari. Budenx Art Stone started the business in 2011 founding by Mr. Budi who currently employs 8 employees in production. Budenx Art Stone has a workshop including gallery to support the production equipped with machines and tools for chiseling, cutting, sanding, finishing, and other related tools.

Most demands are coming from customers' orders and also preparing stocks when all of orders are finished. So that Budenx Art Stone is classified as Make to Order (MTO) and Make to Stock (MTS) industry. Mr Budi is the owner and manager of Budenx Art Stone which employs 8 employees in production. Budenx's customers come from various regions in Indonesia, especially Yogyakarta, Solo, and Central Java. The monthly revenue obtained is around Rp 30,000,000 to Rp 40,000,000.

Business process identification of Budenx Art Stone is obtained through direct observation and interviews with the owners as shown in Table 4.2. Commonly customers directly come and buy products, if the amount is not sufficient then they need to indent for the products. First, the owner asks down payment and write receipt which is contained Budenx Art Stone identity with 3 copies, first copy for down payment (yellow), once the customer pay the rest of the cost over a period of time a second copy of receipt (white) is given and turnover yellow receipt, while the third copy (blue) is kept.

Table 4.2. Business Process of Budenx Art Stone



Prior to the production, Mr. Budi gives a note for craftsmen in the form of paper containing the product name, size, and number of products. The gallery and workshop photos are shown in Appendix 2 while information document photos of Budenx Art Stone are shown in Appendix 3.

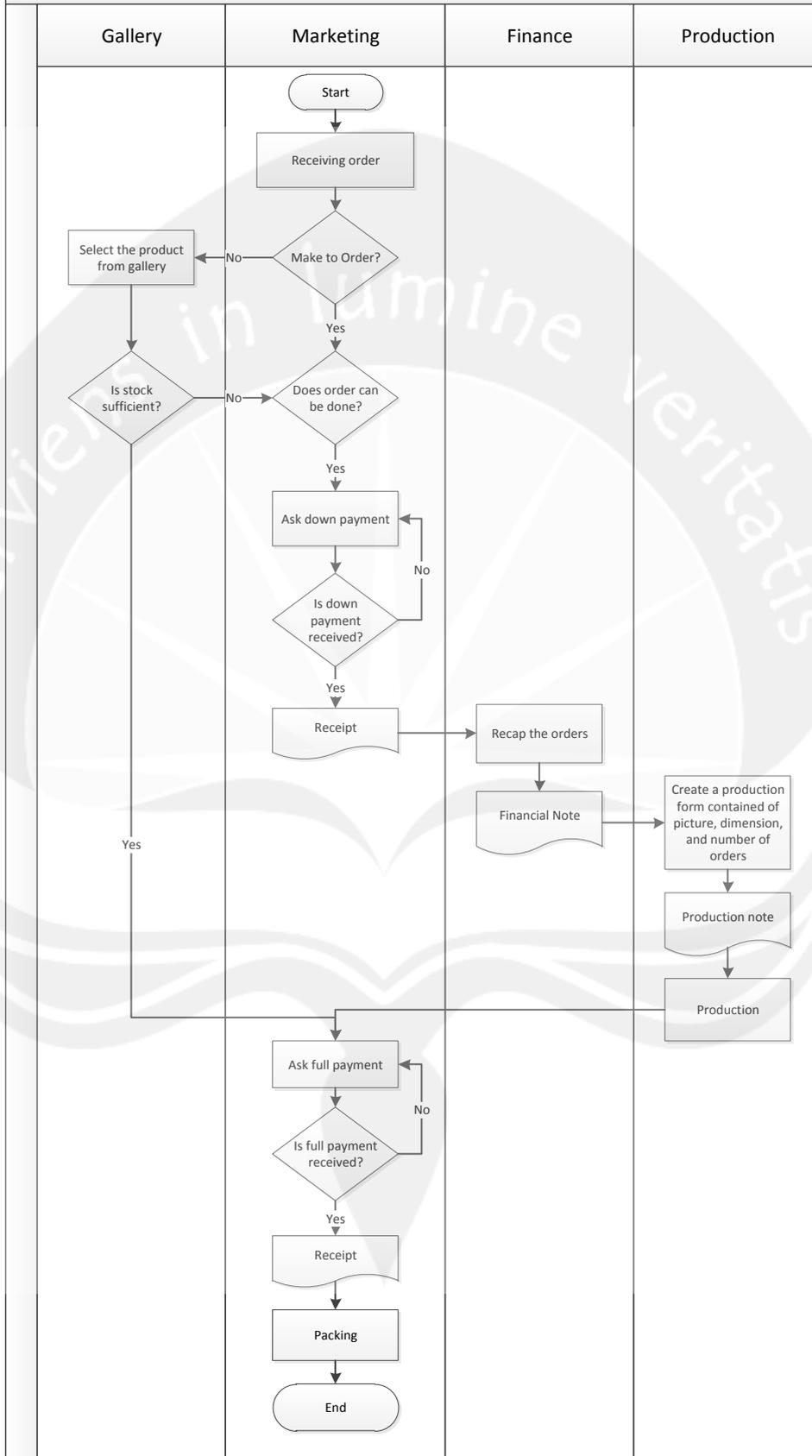
4.1.3. Warung Perak

Warung Perak is a home industry and one of Small Scale Medium Enterprises (SMEs) located in Sayangan 63 Jagalan, Kotagede, Yogyakarta which produces various silver base products such rings, necklaces, bracelets, souvenir, accessories, bros, picture frame, and others products basically processed from silver. Warung Perak started to run the business in 1995 founding by Mr. Bandiyono. Currently the average monthly revenue is about Rp 8,000,000.- to Rp 10,000,000,-. Mr. Bandiyono currently employs 8 employees in production in which some of them do the tasks in their own house. Warung Perak has a gallery to display the products in Pasar Seni Gabusan Los 15, Parangtritis Road, Bantul, Yogyakarta and also workshop to support the production equipped with machines and tools for chiseling, cutting, sanding, finishing, and other related tools in Mr. Bandiyono's house.

In fact, Warung Perak has been internationally recognized, the customers are coming from many cities in Indonesia, Australia, Germany, England, and Asia, Customers may custom the orders by giving the picture, photo, and or specifications and possibly directly choose what has been displayed in gallery and or house, so that Warung Perak is classified as Make to Order (MTO) and Make to Stock (MTS) industry. The products' difficulty may vary from a simple small size to a complex and huge dimension. Ironically, although Warung Perak has been internationally recognized however the information system is manually applied while using internet such Whatsapp only for communications.

Business process identification of Warung Perak is obtained through direct observation and interviews with the owners as shown in Table 4.3. There are two kind of demand which are based on order and also product stock. The first one is customers may directly come and buy products from the gallery, if the amount is not sufficient then they need to indent for the products. Secondly, customers may also order the products by using their own design. Once the order is acceptable, then the owner asks down payment of at least 30%. Marketing department uses receipt which is contained Yoni Arts identity with 3 copies.

Table 4.3. Business Process of Warung Perak



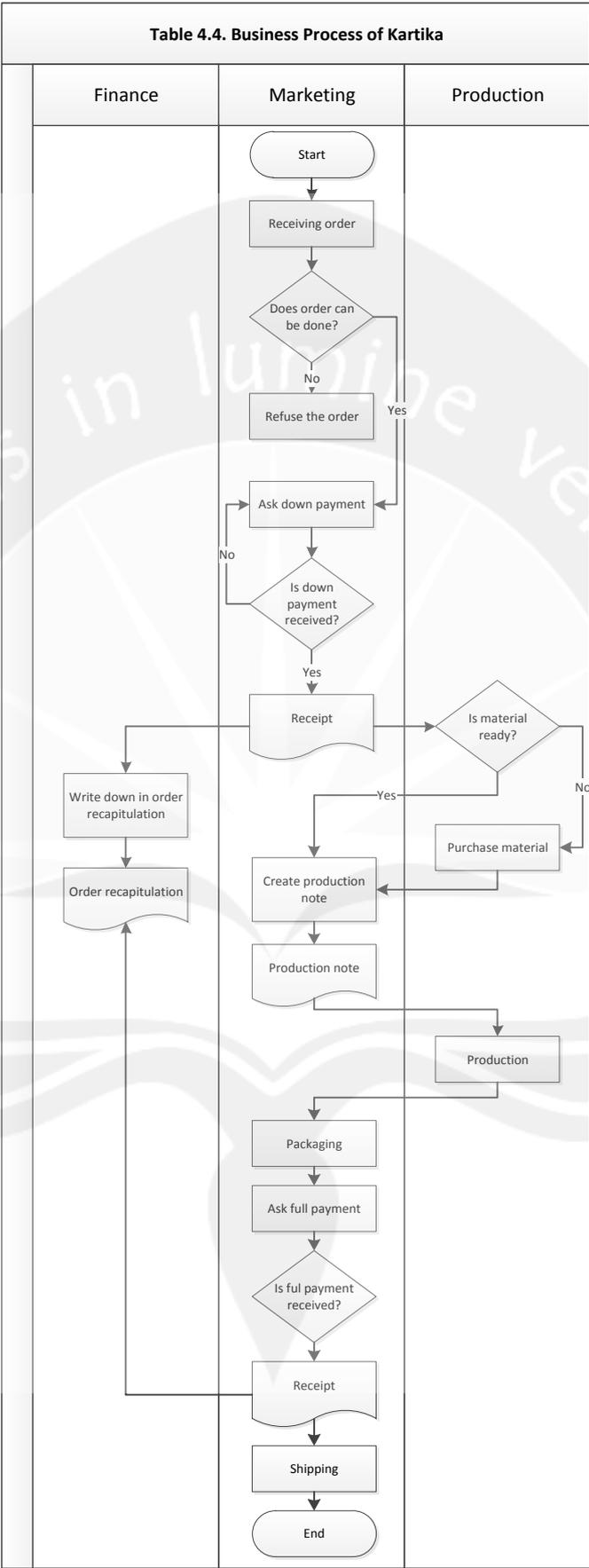
Prior to the production, the owner gives a list of all orders recorded in receipts and emails to her husband. Later on, he makes production form for craftsmen in the form of paper containing the design, size, and number of products. The gallery and workshop photos are shown in Appendix 2 while information document photos of Warung Perak are shown in Appendix 3.

4.1.4. Kartika

Kartika is one of Small Scale Medium Enterprises (SMEs) located in Purbayan, Kotagede, Yogyakarta which produces various metal base products such as accessories, metal plate, bolts, nuts, head buckle, and other products basically processed from *ferrum* and brass metal. Kartika started to run the business in 1983 founded by Mr. Muji.

Mr. Muji is Kartika's owner who employs 11 employees in production in which some of them do the tasks in their own house. In order to support the employees and production, Kartika as the heritage industry has workshop in Mr. Muji's house equipped with machines and tools for welding, drilling, lathe, and other activities. Commonly the customers are directly come and call to Mr. Muji workshop since Kartika has no store whereas customers may custom the orders, so that Kartika is classified as Make to Order (MTO) industry. The products difficulty may vary from a simple one such as bolts and nuts to a detail Borobudur temple, Wayang, and others. In addition, Kartika serves a repeat order to supply nuts and bolts to the furniture industry.

Business process identification of Kartika is obtained through direct observation and interviews with the owners as shown in Table 4.4. Kartika's business process is divided into three processes which are marketing, finance, and production. At first, Mr. Muji as the owner receives a customer order, if it can be made the owner will ask for a down payment of at least 50%. If the customer has already paid, the owner will make notes and record them in the logbook. The owner checks the remaining raw materials; if the remaining material is sufficient, then the owner does not need to purchase. If there is no remaining material, the owner buys materials in a metal shop near his house. The owner will figure out how to make these products, then recently communicate it to the employees with the instruction and simple picture. Once familiar and clear, the craftsmen begin to make products.



When the products have finished, the owner will do packaging with plastic or cardboard. Finally, the owner contacts customer to take the order and pay the rest of payment. When the customer already paid, the owner give a receipt and write in a logbook. The gallery and workshop photos are shown in Appendix 2 while information document photos of Kartika are shown in Appendix 3.

4.2. Questionnaire

4.2.1. Questionnaire for DEMATEL

DEMATEL questions are aimed to identify the impact of the information system criteria in SMEs which have manually organized information system. These questions evaluate the perceived level of impact of each respondent regarding the criteria by pairwise comparison according to what information system applied to the business. Questions are asked to the owner as the manager, because the owner already knows the complete information flow and its impacts. Number of questions on each dimension depends on a number of factors that influence system of information on each dimension. The list of questions can be seen in Appendix 1. The owners are asked to give evaluation scale ranges from 0 to 4 which represent the impact as shown in Table 2.5.

4.2.2. Questionnaire for ANP

ANP pairwise comparison is aimed to get importance preference criteria in SMEs which have manually organized information system. These questions evaluate the level of importance preference of one respondent regarding the criteria by pairwise comparison. Number of pairwise comparison on each cluster depends on a number of factors that influence system of information on each. The list of questions can be seen in Appendix 7. The owners are asked to give evaluation scale ranges from 1 to 9 which represent the importance level as shown in Table 2.6.