

## **SERVICE LEARNING –BUSINESS INFORMATION SYSTEM DEVELOPMENT FOR FAMILY BUSINESS IN, FOOD SECTOR IN SURABAYA**

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### **Abstracts**

*Family businesses (including the businesses in food sector) were the main player in Indonesia. Meanwhile, local food was very important because they were commonly consumed since several generations, made from food ingredients and spices available locally. Family business in traditional food of Surabaya such as: Black Soup (Rawon), Meatball (Bakwan), and Oxtail Soup (Sop Buntut), needed a good documentation. A program, with title of: “Capturing the Family Business Resilience in Traditional Food Sector in Surabaya”, was proposed to United Boards through UNDK (University Network of Digital [Local] Knowledge). And in the program a Service-Learning course, from Accounting Program Study named Business Information System (Sistem Informasi Bisnis), was delivered. The course was conducted in several family-owned restaurants selling traditional food. The lecturer and students succeeded creating the business-information-system as well as documenting them in the websites. The purpose of the course was to document the Family Business in traditional food sector in Surabaya, especially related to positive business principles and business model. The Depot Sari was located in Jalan Karet no 112, in the Surabaya Chinatown. The food stall was famous for the low-fat-tender-and-delicious oxtail soup. The Depot Sari’s customer was segmented, with high-income Surabaya residents or tourists. Meanwhile customization was the value proposition of stall, because the customer demanded a delicious but healthy oxtail soup. The channel selected by Depot Sari was to preserve original own store with excellent product. Furthermore, personal assistance was implemented treating the customers as close friends and caused customer loyalty. Key Resources of Depot Sari was the excellent food quality and personalized services. Therefore, The Depot Sari was found very interesting in the Family Business, in food sector, in Surabaya.*

**Keywords:** *Business Information System, customization value, personalized service, traditional food*

### **INTRODUCTION**

Winoto and Graitto [<sup>i</sup>] stated that the family businesses were the main player in various sector in Indonesia. Family Businesses, categorized as Small and Medium Economic (SME), contributed greatly to the Indonesian economic. Their contribution to the Indonesian GDP (without oil and gas sector) had increased from 62.71% in 2002 to 63.89% in 2003. They also provided jobs for 99,45% of manpower in Indonesia in 2000-2003, (Ardiana, et.al.[<sup>ii</sup>]).

Furthermore, local food preservation, production and consumption were found very important (Nurlaela, et.al. [<sup>iii</sup>]). The traditional foods could be defined as common foods commonly consumed since several generations, consisting of dishes that fit the human taste, not conflicting with religious beliefs of local communities, and were made from food ingredients and spices available locally. Traditional food generally consisted of: (1) the staple food, (2) side dishes, including vegetables that always accompany the staple food eaten, and (3) a snack or fruits. (Sastroamidjojo, [<sup>iv</sup>]). And the family businesses in traditional food really existed in Surabaya. Sixty six traditional food restaurants and food stalls were recorded in Surabaya, selling foods such as: Black Soup (Rawon), Yellow Chicken Soup (Soto Ayam), Fried Egg and Tofu (Tahu Tek), Compressed Rice and Vegetables (Lontong Balap), Meatball (Bakwan), and Oxtail Soup (Sop Buntut) [<sup>v</sup>].

Understanding the importance of this family businesses sector, a program with title of, “Capturing the Family Business Resilience in Traditional Food Sector in Surabaya”, was proposed to United Boards through UNDK (University Network of Digital [Local] Knowledge). And it was still conducted until July 2016. And a Service-Learning course, from Accounting Program Study named Business Information System (*Sistem Informasi Bisnis*), was delivered in the program.

The course was conducted in several family-owned restaurants and food stalls selling traditional food. The lecturer and students succeeded creating the business-information-system as well as documenting them in the websites. The purpose of the course was to document the Family Business in traditional food sector in Surabaya, especially related to positive business principles and business model.

One of the interesting family business in traditional food sector in Surabaya is Depot Sari. The food stall was located in Jalan Karet no 112, in the Surabaya Chinatown. According to Poerbantanoë [<sup>vi</sup>], the Dutch Government divided the Surabaya Old City Area, with the Wijkenstelsel Regulation, for 3 different ethnics in 1843, such as: Red Bridge Area (*Jembatan Merah Area*) for the European, Surabaya Arabic Quarter (*Kampung Ampel*) for Arabs, and Surabaya Chinatown (*Kembang Jepun Area*) for Chinese. The Chinese *vorstraat* (*Jalan Karet*) and *Handelstraat* (*Kembang Jepun*) had been developed since 1411 and were further developed as wholesaler shops and settlements (Widodo, [<sup>vii</sup>]). Because of that, the Depot Sari was found very important for the Surabaya history and the traditional food.

According to past research by Delloite [<sup>viii</sup>], Asian business families were found at critical in the succession process. It was caused by limited next generation training and development. The trusted non-family management and/or advisors did control facilitating the transitions. There were several aspects found in the sustainability of the research such as:

- Next Generation: Business families agreed that their Next Gen continued to manage the business.
- Training and Development: Business families were open to training opportunities and to further development.
  - Non-Family Management and Advisors: Non-family management and/or advisors played a crucial role in balancing the needs of the business and the family as well as in developing the Next Gen for succession.
  - Transitions of Business Families: Succession transition was a challenge and needed to be managed constructively with support of non-family management and/or advisors.

Besides that, Osterwalder, A., & Pigneur, Y., et.al. [<sup>ix</sup>] recommended nine (9) elements of the business model canvas. They could be described such as:

- Customer Segments: an organization served one or several Customer Segments.
- Value Propositions: it sought to solve customer problems and satisfy customer needs with value propositions.
- Channels: value propositions were delivered to customers through communication, distribution, and sales Channels.
- Customer Relationships: customer relationships should be established and maintained with each Customer Segment.
- Revenue Streams: revenue streams result from value propositions successfully were offered to customers.
- Key Resources: key resources were the assets required to offer and deliver the previously described elements
- Key Activities: a number of Key Activities
- Key Partnerships: some activities are outsourced and some resources are acquired outside the enterprise.
- Cost Structure: The business model elements result in the cost structure.

## METHODOLOGY

The methodology used were qualitative interview and analysis. The interview was built based on Nurlaela, et.al. [3], Delloite [<sup>x</sup>] and Osterwalder & Pigneur, et.al. [<sup>xi</sup>]. Open ended question was used in for more detail exploration. Furthermore, a SWOT (Strengths, Weaknesses, Opportunities and Threats) analysis was conducted to prescribe business information system for the company. The conclusion of the analysis was later disseminated through <http://groupsibclass.blogspot.com/>.

## RESULTS

The Depot Sari sold special variety of Oxtail Soup. The food stall was famous for the low-fat-tender-and-delicious oxtail soup. The stall only opens in the morning because of normal operational time of the Surabaya Chinatown. The food stalls were an old Chinese shop-house that was truncated because of road widening project. But the stall still kept its kitchen and some part of the dining areas.



**Figure 1** The Special Oxtail Soup of the Depot Sari



**Figure 2** The Fat-Satay of the Depot Sari



**Figure 3** The Depot Sari Building from Jalan Kembang Jepun



**Figure 4** The Depot Sari Elevation from Jalan Karet



**Figure 5** The Interview with Mr Hartono from Depot Sari

The Depot Sari could be explained based on Delloite [xii] analysis model such as:

- **Next Generation:** Depot Sari found the importance of their Next Generation to continue the business. The Depot Sari founders were willing to transfer the business knowledge to Mr Hartono, especially the food recipe and cooking methods. Unfortunately, Mr. Hartono's children were not involved yet in the business. And it could impact the future succession process of the business.
- **Training and Development:** Mr. Hartono conducted a research and development in the oxtail processing, resulting in delicious, tender, healthy, low-fat oxtail soup. He even conducted the product development for air-tight packaging for exporting the oxtail soup abroad.
- **Non-Family Management and Advisors:** unfortunately the non-family management were not found essential in the succession process in Depot Sari. Many Depot Sari's workers had worked in the food stall for few years. But they did not influence the decision process.

Furthermore, the Depot Sari were analyzed according to Osterwalder & Pigneur, et.al. [xiii] business canvas model, such as:

- Customer Segments: Segmented;
- Value Propositions: Customization;
- Channels: Own Store, Stages (personal approach and promotion);
- Customer Relationships: Personal assistance;
- Revenue Streams: Asset sale;
- Key Resources: Physical (the food quality and taste) and Human (food service);
- Key Activities: Production (raw material selection, food storing, food-and-tool cleaning, food cutting/ slicing, cooking, and serving);
- Key Partnerships: Optimization and economy of scale;
- Cost Structure: Value-driven.

**Customer Segments: Segmented.** The Depot Sari's customer was segmented. The high-quality of oxtail was sold for high-income Surabaya residents or tourists visiting the area. The diversified customer was later developed by creating air-tight-packaging for exporting to oxtail soup to some neighboring cities and neighboring countries.

**Value Propositions: Customization.** Customization was the value proposition of Depot Sari. The customer needed great, delicious but healthy traditional food. Oxtail soup was widely known as traditional food in Surabaya. Unfortunately, the oxtail material was sometimes difficult to digest, had a high salt and fat contents. These problems were solved with pressurized-cooking method and fat screening in the cooking process. It was the key activity for Depot Sari.

**Channels: Own Store.** The channel selected by Depot Sari was to preserve original own store with excellent product. The marketing was conducted with personal marketing. Furthermore, they created promotion for high



school students with excellent grades. The free meals were given to the students achieving first-place in surrounding high schools.

**Customer Relationships: Personal assistance.** The closeness of the owner, servants and the customer was created by great and cheerful serving attitude of the Depot Sari's people. They treated the customers as close friends and caused customer loyalty.

**Revenue Streams: Asset sale.** The food was sold for the customer to utilize. Unfortunately, the accurate accounting was not conducted in the Depot Sari. The owner kept the business running with simple accounting system.

**Key Resources: Physical Resource and Human Resources.** Physical resource was found in the food quality and taste. The food excellent taste ensured successful sales. Food stall personnel (cook, kitchen assistant as well as servers) were considered as essential to create excellent food service. The owner considered all Depot Sari personnel as close family and took care of their health and work satisfaction.

**Key Activities: Production.** Key Activities in Depot Sari could be defined in the production process. The process was started by raw material selection. The oxtail, vegetables, and herbs were selected carefully. The freshness of the material determined the quality of the food. The food material was kept in the refrigeration to maintain their freshness. The food and cooking tool cleaning were conducted regularly. These activities created the clean image of the kitchen and dining area of the food stall. The food cutting/ slicing, cooking, and serving were conducted greatly. The excellent and slow pressurized-cooking and fat screening were applied. Food serving was considered fast.

**Key Partnerships: Optimization and economy of scale.** The key partnership was not built yet. The good suppliers were possessed by Depot Sari, but was not documented in detail.

**Cost Structure: Value-driven.** The quality of oxtail soup sold controlled the pricing strategy also the cost structure of the Depot Sari. Unfortunately, the detail costing of Depot Sari was not provided.

## CONCLUSION

The Depot Sari was found very interesting in the Family Business, in food sector, in Surabaya. The Depot Sari was found interestingly had values such as high – quality service, high – quality food, and close relationship between producer and customer. Depot Sari could show how the Family Business succeeded in preserving traditional food.

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