

CHAPTER I

BUSINESS INTRODUCTION

A. Business Background

Restaurant is a developing business sector in many regions, and many characteristics can be inferred from a restaurant, from its food concept to service etiquette. Thus restaurants also have many categories in terms of what they give to customers, ranging from fast-food restaurants to fine-dining restaurants.

According to Market fact section of the USDA Indonesia report update on Food-service – Hotel Institutional, the food service total contribution to Indonesia's GDP was around 21,1 billion in 2019, and its percentage took 2,18 of GDP in 2017; it registered around 6,9 percent growth. This sector is dominated by small restaurants or street vendors, in which the business ownership is categorized as a sole proprietorship (Yuningsih, 2019).

Following the data shown of GDP contributors in the sector of food-service, especially small vendors under sole proprietorship license. The writer also defines its growth since Indonesia has an abundance of cultural diversity, especially the number of traditions from West Java. According to Cultural Statistics and Data by Kementerian Pendidikan dan Kebudayaan 2019, there are 66 kinds of culinary numbers in West Java. Based on the data found above, this business development plan paper will emphasize on how traditional Sundanese cuisine can be determined as local cuisine, which can drive country sectors not only from the economic point of view but also

on how the local cuisine diversities can be nurtured towards market change and growth. In addition UUD RI No.10 Thn.2009 pasal 14 ayat 1 about business in the tourism sector. States that culinary tourism comes from tourist demands of tourism experience in traditional culinary, other than only the beauty of its nature.

In West Java itself, Sundanese cuisine has its uniqueness in terms of names and flavors, for example, *nasi liwet*, *sambal*, *gepuk*, and etc. It is a combination of both ingredients and flavors. Other than that, Sundanese cuisine has become a West Java authentic icon in terms of food.

Traditional Sundanese Cuisine has to defend its authenticity from fast food domination in the food industry. Besides, globalization following the fast-food strikes also contributes in traditional cuisine changes; along with technology and information development, it seems feasible now to deconstruct Traditional Cuisine to what has known for ages. (Amalia, 2017)

Nowadays, restaurants that serve traditional Sundanese cuisine typically feature fried chicken *or ayam goreng*, kinds of salted fish, fresh vegetable, along with *sambal* as a must-have condiment. Other than that, Sundanese cuisine also has its uniqueness, and people tend to use bare hands, along with a bowl of water for cleaning and enjoying the foods in *lesehan* with family. Therefore, Sundanese cuisine has an authenticity, which has to be preserved, this is a benchmarking to many terms of Indonesian cuisine, in which they are adjusting to taste changes in many urban areas (Kubo, 2010). In this final paper, the writer escalates the potential value of traditional Sundanese food products and food-service by

creating “*Balik ka lembur*” experience, ranging from product originality yet good quality and homey atmosphere. Moreover, the writer constructs the business core, which is product and service, to have proper hospitality standards, ranging from management structure, standard operational procedures, and food quality standards. Furthermore, this context coins out on service encounters, which always occur throughout food-service flow and products benchmarking on which affects the value given, and this is also how the writer introduces the USP or Unique Selling Point of this restaurant later on.

For strategic implementation on expanding the business value, this business plan refers to creating a ‘classic food legend’ as time advances, withstanding originality of the recipe. Moreover, business strategy aspects, including partnerships will be presented afterward.

This paper is a final paper which an existing business plan, and this is confidential and guidance for the company operational basis and also as an element for building an action plan within the business.

B. Business Description

1. History

SHSD was established in 2006 in Ciganea, Purwakarta, which it is the first SHSD outlet. The business started with a passion of giving the product quality following the atmosphere of traditional Sundanese lesehan; all the business elements are combined with a touch of antique ornaments to bring sophisticated dining experience; for the restaurant concept one, SHSD established the first restaurant without *lesehan* in

2010, yet still with a commitment to deliver product quality. SHSD was organized individually for seven years as a family restaurant.

In 2013, SHSD formed a management team consisting of top-level employees to lower-level employees. The top-level employee which is the managerial level, have adequate hospitality background, following the service and organizational refurbishments, SHSD has been developing the core business including several licenses to strengthen business identity such as brand or patent license and tourism trade license.

Having core business, which is product, service, and atmosphere combined in one brand, leads to the commitment of always delivering the best to guests while also providing them with the experience of SHSD unique atmosphere.

2. Organization Management Team

SHSD founder has a background in the hospitality industry, the founder has professional experience in hotel front office, following the economic degree. Referring to SHSD, which is the food & beverage industry, food knowledge experience was gained from culinary tourism, by traveling around Java Island to study traditional spices characteristics, especially Sundanese food. SHSD founder has a strong view of quality, by personifying quality within all the elements of a restaurant, it will make the brand become the 'legend' in terms of the

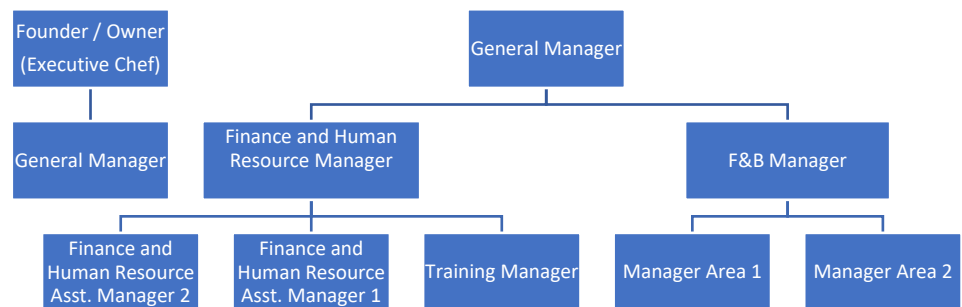
brand entity, which always has its authenticity regardless of trends and changes.

SHSD management team member was the former hotel and restaurant personnel, where they enhanced professional experience in the hotel and food & beverage industry. SHSD management team has a minimum of 20 years of professional experience in hospitality, ranging from top managerial level to middle managerial level.

Following the experience description, SHSD always tries to be the customer choice in many circumstances, along with the commitment of giving the best quality.

Figure 1

SHSD Corporate Organization Chart



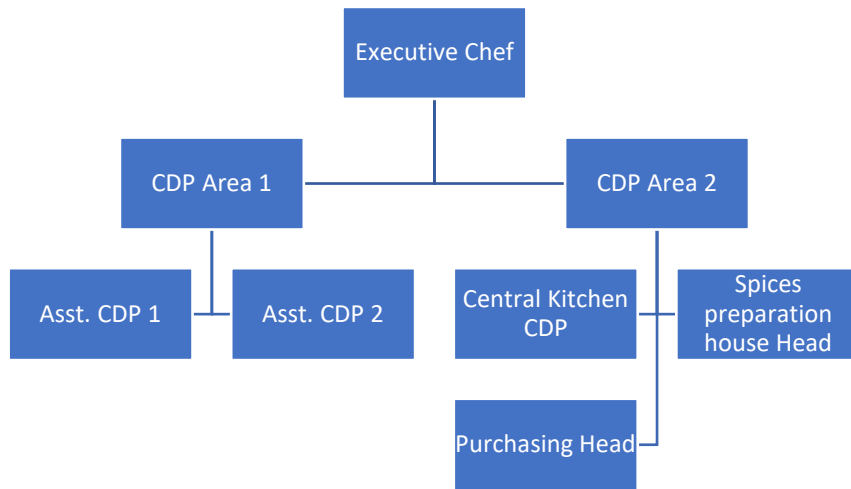
Source : SHSD Company Archive, 2019

- Founder / Owner also takes part as the Executive Chef of SHSD

- Finance and Human Resource Department led by one department head
 - Training Manager also covers the duty of area manager for supervising human resource, Finance and HR
 - assistant manager I covers the duty of restaurant graphic designer
 - Finance and HR assistant manager II covers the duty of restaurant marketing manager
- F&B Manager organizes, controls and evaluates SHSD restaurants operations
 - Manager Area 1 has to supervise restaurant operation of all SHSD outlets in *Jabodetabek* (Jakarta, Bogor, Depok, Tangerang, and Bekasi)
 - Manager Area 2 has to supervise restaurant operation in all SHSD outlets in Karawang, Purwakarta, and Bandung

Figure 2

SHSD Kitchen Organization Chart



Source : SHSD Company Archive, 2019

- CDP Area 1 has to supervise kitchen operation of all SHSD outlets in *Jabodetabek* (Jakarta, Bogor, Depok, Tangerang, and Bekasi)
 - Assistant CDP 1 and Assistant CDP 2 have the same duty, which is to help CDP in kitchen operation, especially when there is a new outlet. One of assistant CDP will be a temporary kitchen head.
- CDP Area 2 has to supervise kitchen operation of all SHSD outlets in Karawang, Purwakarta, and Bandung.
 - Central Kitchen CDP runs and manages the operation in the central kitchen
 - Spices preparation house Head, runs and manages the operation in spices preparation house
 - Purchasing Head has a duty in raw material procurement

3. Business Logo and Name Description

Figure 3

Sambel Hejo Sambel Dadak (SHSD) Logo



Source: Sambel Hejo Sambel Dadak (SHSD) Company document, 2020

a. Sambel Hejo

The terms of *Sambel Hejo* has initially been derived when the founder of SHSD had a business partnership with Sambel Hejo Sari Rasa owner. Sambel Hejo Sari Rasa was the most popular restaurant that served traditional *sambel hejo*. Due to a business disputes between SHSD founder (former Sambel Hejo Sari Rasa franchisee) and Sambel Hejo Sari Rasa owner, the business partnership had to end.

SHSD founder took Sambel Hejo name from the former brand partnership and continued to develop the business.

b. Sambel Dadak

The name Sambel Dadak was pinned in the brand name in order to differentiate the business name from Sambel Hejo Sari Rasa.

c. Ayam Goreng Basah

The term of it refers to SHSD signature main dish which is *ayam goreng basah*

4. Business Identity

a. Company Name

Sambel Hejo Sambel Dadak (SHSD) is the company name, and it has been providing traditional Sundanese cuisine under a license of sole proprietor.

b. SHSD main outlet address

This outlet is the first established restaurant of SHSD, this is here the company office located and as well the departments that support SHSD product in another SHSD restaurant outlets. Other than that, this main outlet has an additional concept which is *lesehan*.

It is located at Pemuda street No.32, Jatiluhur, Ciganea, Purwakarta Regency.

c. SHSD restaurant outlets addresses

SHSD differs two restaurant dining concept, which is *lesehan* concept and only standard dining concept. Regardless the dining concept, all the product, service and restaurant features remain the same.

- Mekarkencana Street No.60, Istana Mekarwangi, Moh. Toha, Bandung.
Telephone Number : (022)5221011
Established on 26th July 2010
- Tebet Timur Dalam Street II No.34, South Jakarta.
Telephone Number : (021)8292675
- International Karawang Barat Street, Aliyah Mosque rest area, Karawang.
Telephone Number : (0267)8401275
Established on 17th June 2015
- Celebration Boulevard Street, Café walk Grand Wisata, Tambun Selatan, Bekasi
Telephone Number : (021)82622001
Established on 21st October 2017
- Cempaka Putih Raya Street No.8A, Jakarta Pusat
Telephone Number : (021)4229066
Established since 27th January 2018
- Cipinang Baru Utara No 35, Rawamangun, Jakarta Timur.
Telephone Number : (021)4897289
Established since 5th December 2018
- W.R.Supratman Street No.80, Ciputat, Tangerang Selatan.
Telephone Number : (021)74775074
Established on 10th September 2019

5. Vision and Mission

Sambel Hejo Sambel Dadak (SHSD) set of vision, mission and strategy has the value of giving service excellence. Thus customers may have the best dining experience in a traditional Sundanese atmosphere.

Following the ideas, Sambel Hejo Sambel Dadak has constructed Company Vision and Mission.

a. Vision

“To Personify a concept of Authentic Sundanese Cuisine with international service standards.”

Based on the vision above, Sambel Hejo Sambel Dadak (SHSD) perceived authenticity of Sundanese food as identity, following comprehend service standards to escalates the Company’s food-service quality.

Sambel Hejo Sambel Dadak (SHSD) will always do product invention for brand development; later in milestones, SHSD corporate aims to expand the business in Indonesian food products within the entity of another SHSD corporate brand.

b. Mission

- Prioritizing food and service quality,
- Always innovating the service standards towards market demand,
- Preserving the authenticity of traditional Sundanese cuisine,

- Developing employees skill and knowledge in order to maximize operational performance,
- Expanding Business unit in many strategic areas to be the best traditional Sundanese cuisine restaurant in Indonesia

Sambel Hejo Sambel Dadak (SHSD) perceived food authenticity will always be the preference for markets that seek for classic food. Based on this perception, SHSD starts its business by putting food quality as a priority. However, starting under “good food quality” as an identity of a restaurant is not only a primary focus on how the business will enhance its brand power. SHSD gradually enhances its business core through developing employees food-service skill and knowledge, other than that, SHSD bolsters its value with three company pillars:

- Professionalism

SHSD keenly focuses on quality perfection; work smart, and decisive action.

- Sincerity

Serving sincerely to stakeholders is the key to a sustainable business environment.

- Social Impact

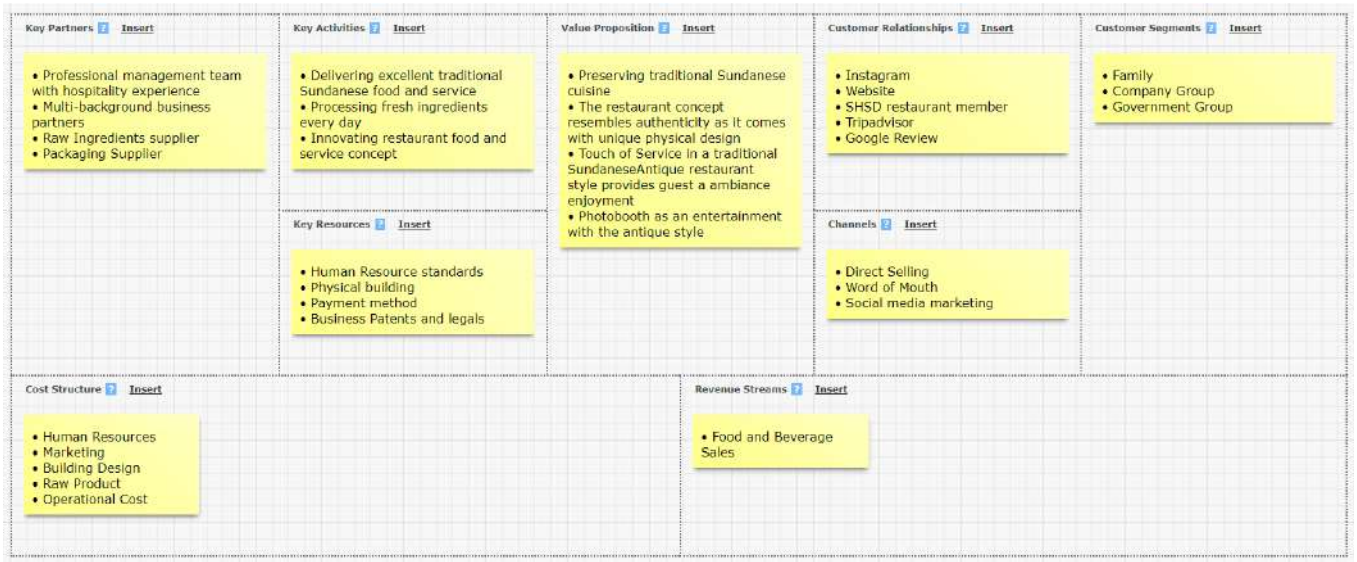
SHSD works to give positive social value to everyone involved in the business. Hence, the stakeholder may have a bonafide relation for long term partnerships.

6. Business Model Overview

SHSD has been running under sole proprietorship; from the business model, SHSD constructs franchise method as the business expansion method. With ten years of initial franchise contract SHSD perceives sustainable business development. In addition, the business expands the business with a low rate of momentum yet quick in business advancement upon agreement between SHSD owner and franchisee.

The points below shows the key factors in SHSD Business Model

Canvas:



a. Value Propositions

- Preserving traditional Sundanese cuisine
- The restaurant concept resembles authenticity as it comes with unique physical design
- Touch of Service in a traditional Sundanese Antique restaurant style provides guest an ambiance enjoyment

- Photobooth as an entertainment with the antique style

b. Key Partners

- Professional management team with hospitality experience
- Multi-background business partners
- Raw Ingredients supplier
- Packaging Supplier

c. Key Activities

- Delivering excellent traditional Sundanese food and service
- Processing fresh ingredients every day
- Innovating restaurant food and service concept

d. Customer Relationship

- Instagram
- Website
- SHSD restaurant member

e. Customer Segment

- Family
- Corporate
- Government Group

f. Key Resource

- Human Resource standards
- Physical building
- Payment method

- Business Patents and legals

g. Distribution Channels

- Direct Selling
- Word of Mouth
- Social media marketing

h. Cost Structure

- Human Resources
- Marketing
- Building Design
- Raw Product
- Operational Cost

i. Revenue Stream

- Food and Beverage Sales

7. SWOT Analysis

According to SHSD set of vision and mission, SHSD has an operational key process to overcome Sundanese restaurant competition and oversee internal and external factors.

According to (Ferrell & Hartline, 2008), the function of SWOT analysis is to gather information relating to the business environment; it also refers to how the business would advance towards competition by identifying the business core while anticipating every obstacle which the business might encounter.

a. Strengths

- SHSD partnership has a settled management projection within the franchising contract; it starts with a low initial management fee with a quick investment return.
- SHSD brand is derived from its authenticity of Indonesian-Sundanese concept of the restaurant
- SHSD has the basic experience in the hospitality industry of the management team
- Centralized kitchen; maintaining food quality throughout restaurant branches

b. Weaknesses

- Due to quick expansion, human capital training will be challenging for a short time period
- Since SHSD reputation has been known widely through word of mouth, it will be challenging to establish a digital marketing approach
- SHSD unique restaurant design is substantially the same. Thus capital budgeting on design would be slightly unfocused
- Traditional Sundanese food images will remain the same. In addition, SHSD needs advancement in marketing and quality control.

c. Opportunities

- SHSD restaurant design is millennial consumer preference, supporting their behavior of having social media as a daily basis.
- Food authenticity bolsters Sundanese cuisine image, as well as its place of origin.

d. Threats

- Raw material price fluctuation
- Logistics may affect food quality upon delivery due to high traffic

Furthermore, SHSD business analysis comes into a decision which the business will elevate into a strong analysis tool; by describing ‘Two-by-Two’ Matrix as the tool for macro evaluations. Besides, it is used to provide organizations an interactive tool to unify related perspective of business decisions from plus and minus drawn (Emet, 2017).

Table 1

Two-by-Two Matrix

	Strengths	Weaknesses
Opportunities	Achieve opportunities that greatly match the organization’s strengths.	Overcome weaknesses to attain opportunities

Threats	Use strengths to reduce the organization's vulnerability to threats	Prevent weaknesses to avoid making the organization more susceptible to threats
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According to the table above, SHSD retracts the business system to analyze development factor or strategy for a stronger firm. Moreover, strategy focus comes to three major business departments namely Marketing, Human Resource and Finance.

a. Strengths and Opportunities

- Innovating more traditional cuisine into a brand new product under Indonesian authenticity value.
- Using social media as a marketing base is eligible to develop millennials market exposure, along with the various types of electronic payment which offer distinct advantages to millennial markets
- Developing customer relationship to retain current customer loyalty, and at the same time expanding market size for a particular market segmentation
- Reinforcing SHSD peer-to-peer organization system, to build a strong relationship with business key stakeholder

b. Strengths and Threats

- Identify raw product supply chain source and divide the supplier. To this point, SHSD will have to have raw product price and quality comparison.
- Develop storage quality in logistics transportation. At this rate, SHSD has four vans to transport raw material. According to the idea of developing the transportation quality, SHSD need to provide installed chiller in the van. Regardless of the distance from central kitchen in Purwakarta to restaurant branch outlets that scatter around Jakarta, traffic activity will be the concern in terms of product quality while onboard.

c. Weaknesses and Opportunities

- Enhance food identity as a company's branding
- Exemplify Sundanese culture by service personnel while combining it with SHSD service standards

d. Weaknesses and Threats

- Develop risk management to overcome human and product issues, especially in fast-growth restaurant outlets
- Reinforce the human resource department with an adequate team member, in order to reach many departments issues
- Equip the purchasing department with adequate tool or equipment to check the quality of the products

- Determine the major restaurant concept by statistically measure the capital spent to overall average expenses

The data analysis shown above is a measuring element on how the business would perform in the future; the business needs to evaluate the business action plan in the scope of the marketing area since it would affect the overall performance of the business value that has been formed to customer perception.

8. Product and Service Overview

SHSD serves traditional Sundanese cuisine accompanied by a unique Indonesian antique restaurant building design.

The company has eight restaurant outlets around Purwakarta, Jakarta, Bekasi, Karawang and Bandung. SHSD is currently managed by individual management system, as the business upholding measure, all the management resource has come from hospitality standard services since 2013.

Throughout its journey of delivering food and beverage services, SHSD brand has been spreading through word-of-mouth and growing 200% in average of company value per year, due to its projected expansion to high demand market by resulting the opening of new restaurant outlets once every one to two years, SHSD has been performing maintained progress of development in term of procuring major demand of food and beverage service, which the Company had to

have several food and beverage business elements such as great product and quick food-service.

Food and service quality is the priority to develop SHSD brand since the vision oversees the potential aspect of traditional Sundanese cuisine; SHSD always puts food quality as a benchmarking to competitors that serve traditional Sundanese cuisine regardless the restaurant level.

SHSD has a centralized kitchen to control food quality, following the food transport that is always running every day to keep food freshness in SHSD restaurant branches. Besides, the Company also applies basic hospitality industry service standards to gain customer dining experience in SHSD as well as expanding customer relationships.

Apart from food and service, SHSD also has unique architectural and interior design to bolster the atmosphere of Indonesian culture.

9. Legal Aspects

SHSD starts under individual proprietorship permit with Company Registration number *TDUP* 10.09.55604882, and in 2013 SHSD officially registered as *rumah makan* under Tourism Trade Business License or *SIUP* by Purwakarta Regency Government, classified as an “A” class.