

# **CHAPTER I**

## **COMPANY OVERVIEW**

### **1.1 Industry Analysis**

In Indonesia, the definition of MSMEs is set in Law Number 20, 2008. In Article 1 in Chapter I (general provisions) of the Law, it is stated that microenterprise (MIE) is a productive business independently owned by an individual person or a business entity fulfilling the criteria of MIE as stipulated in the Law. In the same period, the growth of MSMEs in Indonesia is also driven by advancements in digital technology. This digital technology makes it easier for the consumer base, as mentioned above, to access these MSMEs. In Bahasa Indonesia, "wirausaha" translates to entrepreneurship, with "wira" meaning brave and "usaha" meaning business. Entrepreneurship or SMEs refers to the ability to create new ventures or produce something valuable, either for oneself or others. Many individuals are establishing businesses to contribute to the economy and increase their income through entrepreneurial activities (Hastuti et al., 2020).

The development of Small and Medium Enterprises (SMEs) is quite rapid in Indonesia, especially those that sell food and beverages. SMEs that sell food and beverages are included in the culinary sector SMEs. Culinary sector SMEs always survive in various economic conditions because the products sold are products that meet the basic needs of consumers. Likewise, at present, in the Covid-19 pandemic, the number of culinary sector SMEs has increased because workers who used to work in the tourism sector switched from employees to culinary business people (Yasa et al. 2020). Despite these challenges, SMEs have significantly contributed to Indonesia's economy. According to data from the Ministry of Cooperatives and Small and Medium Enterprises, the number of UMKM in Indonesia has reached 64.2 million, contributing 61.07% to the national GDP, equivalent to 8,573.89 trillion Rupiah (Handayani et al., 2021).

SMEs possess several characteristics that define their strategic position in Indonesia. First, require relatively small capital compared to large enterprises, making them easier to establish. Second, their workforce does not necessarily need formal education, allowing for flexible employment opportunities. Third, most SMEs operate in suburban or pedestrian areas, reducing the need for large infrastructure investments. Lastly, SMEs have demonstrated strong resilience during economic crises, proving their ability to sustain operations even in difficult times (Sarfiyah et al., 2019). In Indonesia, MSMEs are one of the pillars supporting the economy. According to data from the Ministry of Cooperatives and Small and Medium Enterprises, in 2013, MSMEs contribute significantly to the economy (Permana, 2017).

During the COVID-19 pandemic, many people started UMKM from home, contributing to Indonesia's economic recovery. The COVID-19 pandemic has caused the Indonesian economy to enter a recession, as indicated by negative year-on-year economic growth for two consecutive quarters, namely -5.32% in Q2-2020 and -3.49% in Q3-2020 (Mardanugraha et al., 2023). This study explains that micro, small, and medium enterprises (MSMEs) in Indonesia have shown significant resilience in facing the economic recession. With reduced economic activity, individuals turned to home-based culinary ventures that required minimal capital and little to no employees. This surge in home-based businesses played a crucial role in sustaining the economy. Many UMKM that emerged during the pandemic focused on culinary innovation, creating new variations of food to attract customers. The Law No. 11 of 2020 on MSME Article 3, states that MSME aim to grow and develop their business in order to contribute to the development of the national economy based on an economic democracy that is just and equitable (Windusancono, 2021).

The growth of MSMEs in Indonesia is projected to continue increasing and become one of the largest drivers of economic growth in the country. The most influential factor in the sustainability of MSMEs growth (Krisnawati, 2018). In

Indonesia is the size of the consumption base In today's era of entrepreneurship and UMKM, creativity and innovation continue to shape the culinary industry. As part of this evolution, introduces a fusion food concept that blends American and Japanese elements—a rice burger. This concept, called Bagashi, offers a fresh alternative to the traditional burger by replacing the bun with rice, providing consumers with a unique and exciting dining experience.

## **1.2 Company Description**

Bagashi is a culinary venture that redefines the traditional burger experience by introducing a unique way of enjoying the dish. Unlike typical burgers, Bagashi replaces the bread bun with rice, offering a distinct texture and flavor profile that sets it apart from other burgers. This innovative fusion of American and Japanese culinary elements creates a delightful dining experience for adventurous food lovers seeking something new.

Bagashi will be located in Little Tokyo, Blok M, offering a vibrant street food experience with a wide variety of menu options. The brand's simple yet memorable design features a burger sushi at its center, symbolizing its unique fusion concept. The minimalist branding ensures that the focus remains on the signature dish while maintaining a clean and balanced composition.

### **A. Vision & Mission**

#### **Vision:**

“To be a pioneer in expanding fusion culinary innovation by continuously presenting fresh and creative ideas that offer an unforgettable dining experience, even in a street food setting.”

#### **Mission:**

- a. To create innovative fusion food and offer a diverse menu of fusion dishes.

- b. To deliver unique and delightful dining experiences through innovative fusion dishes.
- c. To continuously introduce new menu items with fresh ideas, offering excitement for food lovers.

## **B. Business Legalities**

Bagashi will start as a small street food business similar to a food cart, classified as a UMKM (Micro, Small, and Medium Enterprise). Initially managed by a single person, the business aims to evolve into a larger operation that will eventually hire employees. The concept behind Bagashi is to create a unique dining experience for customers through innovative menu offerings. By continuously introducing new and exciting dishes, Bagashi aims to attract a diverse clientele and ensure customer satisfaction and loyalty.

As the business grows, Bagashi will focus on developing a standout menu in the competitive street food market. This may include new signature dishes blending traditional and modern elements to keep offerings fresh and appealing. With a commitment to quality and creativity, Bagashi aspires to establish itself as a beloved local brand.

## **C. Business Location**

Based on market research, Bagashi will open in Little Tokyo, Blok M, an ideal location for a menu featuring fusion food that combines American and Japanese flavors. This area is popular among both teenagers and adults and remains busy with visitors from morning until night.

The location is also near an MRT station, providing easy access for customers. Additionally, many coffee shops in the vicinity attract people who may visit Bagashi after enjoying their coffee, increasing potential customer traffic.

## **D. Job Descriptions**

**Owner Responsibilities:**

- a. Maintain overall business operations.
- b. Manage the strategic direction of the business.
- c. Ensure high levels of customer satisfaction.

**Production Operations Responsibilities:**

- a. Ensure food preparation meets high-quality standards.
- b. Maintain consistency in menu offerings.
- c. Manage inventory, including ingredients and cooking utensils.

**Marketing Operations Responsibilities:**

- a. Develop and implement marketing strategies for Bagashi.
- b. Maintain an active and engaging presence on social media.
- c. Promote the brand to attract and retain customers.

**1.3 Product and Services**

Bagashi plans to develop its business from a small scale to a large one by focusing on four main products that will serve as the key to innovation in creating new menus for customers. In addition to these four main products, Bagashi will also offer side dishes that customers can choose to pair with the main products. This approach aims to enhance customer satisfaction and encourage repeat visits to Bagashi.

The menu at Bagashi will continue to undergo improvements and development along with new ideas for other dishes. However, Bagashi will maintain a strong focus on preserving high quality and authenticity in its products, rather than merely innovating without considering these aspects. Customer feedback is crucial in the development process to make Bagashi better than its competitors. With a strong emphasis on product quality and customer engagement, Bagashi aims to become a successful local brand, beloved by customers, which will encourage customers to continue returning and enjoying meals at Bagashi.