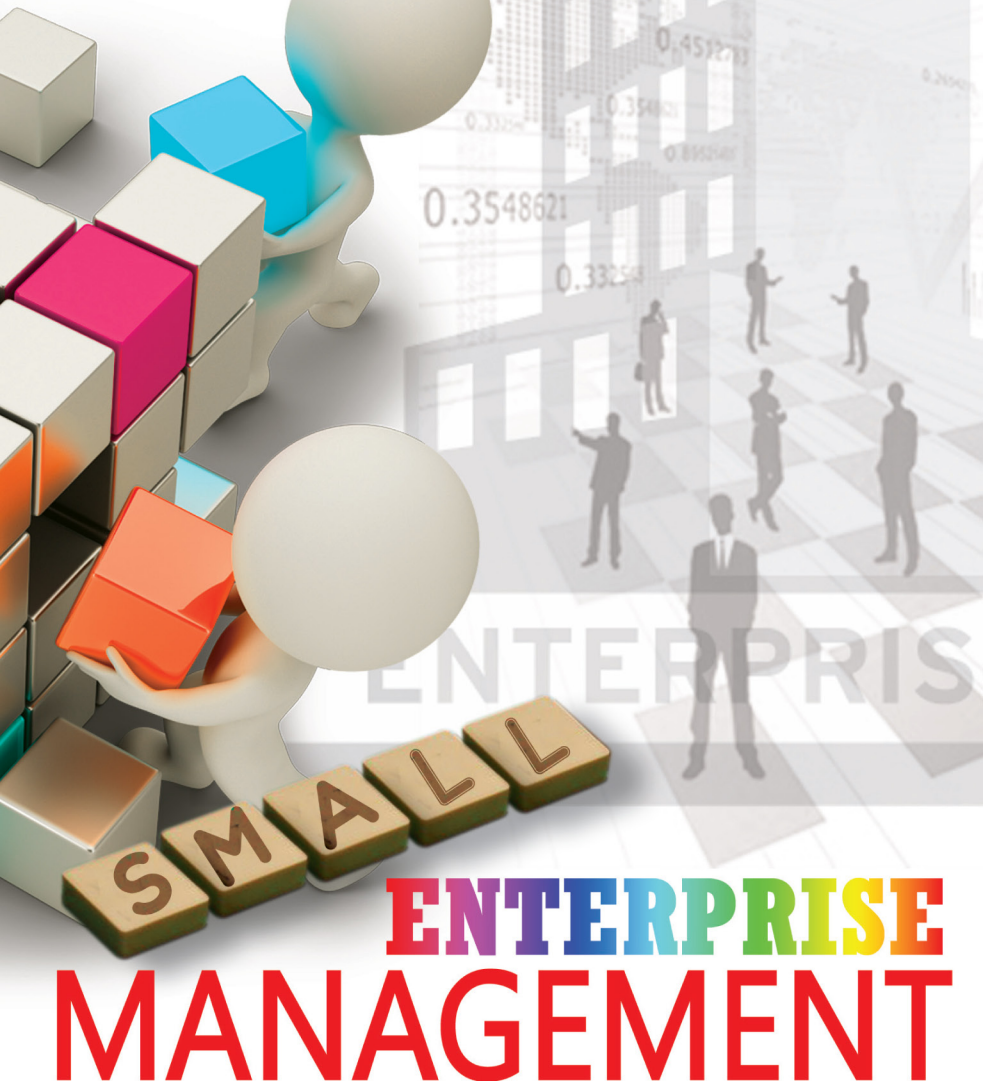


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YAYASAN DHARMA BAKTI SURABAYA

SMALL ENTERPRICE MANAGEMENT

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Dilarang memperbanyak karya tulis ini dalam bentuk
dan dengan cara apapun tanpa ijin tertulis dari
penerbit

PRAKATA

In Indonesia, Enterprises with max 50 million rupiah investment in productive assets (land and building are excluded) or with max 300 million yearly revenue are called Micro Enterprises. Enterprises with 50 - 500 million rupiah investment in productive assets or with 300 - 2,500 million rupiah yearly revenue are called Small Enterprises. And enterprises with 500 - 10,000 million rupiah investment in productive assets or 2,500 - 50,000 million rupiah yearly revenue are called Medium Enterprises.

According to BPS 2014, Indonesia had 57.89 million UMKMs and they contributed 60.34 % of GDP. Since the contribution to the GDP is significant, UMKMs are important. It doesn't contribute to the GDP only but also to the employment, income distribution, and political stability. UMKMs will thrive more when the economy does better and will survive on small budget when the economy is volatile. They are more enduring to the economic crisis.

This is a book written for the students and the graduates of Majapahit Hotel and Tourism Academy, for the students and the graduates of Surabaya Polytechnic, and for our friends who are running small enterprises.

They are good entrepreneurs doing great things providing goodness to employees, customers and society. They spend their time on thinking and talking about business chances, ideas, risk, and their competitors. Unfortunately, I almost don't hear from them anything about system, administration and control. It seems that they do not really care about those things. Problem arises here. It is a sign that management is abandoned in small enterprises.

I am not shocked to know it. Having experience working so many years in small enterprises makes me understand that small enterprises are actively managed by their owner and the organization structures are flat with very few management layers. My friends - the bosses, the founders - are strong entrepreneurial oriented which means they are proactive, innovative, autonomy demanding, risk taker and competitive aggressive. It is very obvious that they are good at detecting chances, generating ideas, turning the ideas into reality, risking their valuable things for their ambition, and continuously watching competitors and reacting against competitors promptly. They are the men who are looking into the future and planning long term, and cope with changes.

Krating Daeng, Lipovitan and M150 were sold in bottle and they were expensive for the low-income people. PT. Bintang Toedjoe solved it by innovating Extra Joss in the form of powder and packed in sachets so that it could be sold at cheap price to low-income people. PT. Sido Muncul found that all brands of energy drink were yellow in color and sour in taste. Kuku Bima, with various colors and tastes, was created. Things are always changing. The only that doesn't change is the change itself. An entrepreneur is needed to keep up with the changes.

Small enterprises need entrepreneurs. Nobody can deny that but small enterprises also need managers to plan short to medium term, to coordinate, to administer and to control. System and structure are important. They can not just rely on motivating and inspiring people by talking. People needs to be administered and controlled. If they are allergic to complexity, at least they must hire managers to assist them. Without good management, complex firm becomes chaotic.

We can find many small enterprise owners who are not managerial oriented enough. Entrepreneurial orientation and

managerial orientation are different but complementary. Both are equally compulsory for success. Some lecturers and management consultants think that strong entrepreneurship with weak management is worst than the reverse.

Peter F Drucker in his book said that an important advance in the discipline and practice of management is that both now embrace entrepreneurship and innovation. And both have to be coordinated to work together. Any existing organization – a business, a school, a hospital - goes down fast if it does not innovate. Conversely, any new organization - a business, a school, a hospital - collapses if it does not manage. No innovation is the largest reason for the decline of existing organizations. Not management is the largest reason for the failure of new ventures.

Without management, there are only 2 options to follow. First option is do shrinkage, back to infancy, back to the time when it was simple, and don't call it an enterprise because it is just a job. If you insist on calling it an enterprise, please put a phrase "salary-substitute" before that. Don't go anywhere for long time. In your absence, your employees will be partying. None of your "manager" can decide because you never delegated and you didn't encourage system.

Second option is keep on growing. Please be well-informed that chaos will grow faster and make your growing enterprise self-destructs.

I hope this book will be useful for them.

Author

DAFTAR ISI

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