**FINAL PROJECT OF BUSINESS PRACTICE**

**"LAZIZA BAKERY"**

By

MUHAMMAD AHNAF ZALFA

Student Number: 19311506

**INTERNATIONAL UNDERGRADUATE PROGRAM IN MANAGEMENT**

**FACULTY OF BUSINESS AND ECONOMICS**

**UNIVERSITAS ISLAM INDONESIA YOGYAKARTA**

**2024**

# LAZIZA BAKERY FINAL REPORT OF BUSINESS DESIGN

Written By:


| | |
|---|---|
| Name | : AHNAF ZALFA |
| Student Number | : 19311506 |
| Department | : Management |
| Specialization | : Marketing |


Has been approved and validated by

Content Advisor,



Arif Hartono, S.E., M.Ec., Ph.D. October, 30th, 2024

Language Advisor,

Cithra Orisinilandari, S.S., MA November, 13th, 2024

**INTERNATIONAL UNDERGRADUATE PROGRAM IN MANAGEMENT**

FACULTY OF BUSINESS AND ECONOMICS

UNIVERSITAS ISLAM INDONESIA

2024

## PLAGIARISM-FREE STATEMENT

"I hereby declare that in this final project there is no work that has ever been submitted by another person to obtain a bachelor's degree at a university, and to the best of my knowledge there is also no work or opinion that has been written or published by another person, except those in writing. referred to in this manuscript and mentioned in references. If in the future it is proven that this statement is not true, I am ready to accept any punishment/sanction in accordance with applicable regulations."

Yogyakarta, 8 October 2024

The Writer,

(Muhammad Ahnaf Zalfa)

NIM 19311506

## MOTTO

*"Tetap Kuat, Jangan Lemah"*

**(QS. Ali 'Imran: 139)**

*"Janganlah kamu bersikap lemah, dan janganlah (pula) kamu bersedih hati, padahal kamulah orang-orang yang paling tinggi (derajatnya), jika kamu orang-orang yang beriman."*

## DEDICATION PAGE

*Assalamu'alaikum Warrahmatullahi Wabarakatuh*

Alhamdulillahi Rabbil'alamin, all praise and gratitude are due to Allah SWT for His boundless mercy and grace. Blessings and peace be upon Prophet Muhammad SAW, who has been an exemplary role model for his followers in pursuing excellence and good deeds. It is with great pleasure and a sense of accomplishment that I present this final business design project entitled: "FINAL REPORT ON DESIGN AND BUSINESS IMPLEMENTATION OF LAZIZA BAKERY".

This project represents the culmination of my academic journey in the Management Study Program at the Faculty of Business and Economics, Islamic University of Indonesia. It has been developed to fulfill the graduation requirements for obtaining a Bachelor of Management degree and to apply the knowledge and skills acquired throughout my studies to a real-world business scenario. The successful completion of this project would not have been possible without the support, guidance, and encouragement of various individuals and institutions. I would like to express my deepest gratitude to:

1. My beloved parents, Mr. Rahmat, and Mrs. Paselahepi, who provided unconditional love, support, and sacrifices, have been the cornerstone of my educational pursuits.
2. Mr. Arif Hartono, SE, M.Ec., Ph.D., for their invaluable guidance, constructive feedback, and unwavering support throughout the development of this project.

3. Miss Cithra Orisinilandari, S.S., MA, as my language advisor, for her meticulous guidance, valuable suggestions, and continuous support in improving the language quality of this project.
4. Wega, Aldu, Husni, Fauzi, and Arzaq for their insightful teachings and continuous encouragement throughout my academic journey.
5. Miss Katiya Nahda S.E., MSc. for academic support, collaborative feedback, and for being source of inspiration.
6. The entire faculty and staff of the IUP Management Department and the Faculty of Business and Economics at the Islamic University of Indonesia, for providing a nurturing academic environment and resources essential for my growth.
7. My fellow classmates and friends at the Islamic University of Indonesia, for the camaraderie, intellectual discussions, and memorable experiences that have shaped my university life.

I am profoundly aware that this project, despite my best efforts, may contain imperfections due to my limited knowledge and experience. Therefore, I welcome any constructive criticism and suggestions from readers to further improve this work. It is my sincere hope that this final project will not only serve as a testament to my academic journey but also provide valuable insights and practical applications for readers interested in the field of bakery management and entrepreneurship.

*Wassalamu'alaikum Warahmatullahi Wabarakatuh*

Yogyakarta, 8 October 2024

The Writer

Muhammad Ahnaf Zalfa

## TABLE OF CONTENTS


***FINAL PROJECT OF BUSINESS PRACTICE*** ..... ***i***

***LAZIZA BAKERY*** ..... ***i***

***PLAGIARISM-FREE STATEMENT*** ..... ***ii***

***MOTTO*** ..... ***iii***

***DEDICATION PAGE*** ..... ***iv***

***TABLE OF CONTENTS*** ..... ***vii***

***LIST OF FIGURES*** ..... ***x***

***LIST OF TABLES*** ..... ***xiii***

***ABSTRACT*** ..... ***1***

***CHAPTER 1 INTRODUCTION*** ..... ***3***

1.1. Background ..... 3

1.1.1. History ..... 5

1.1.2. Purpose and Benefits of The Business Model ..... 6

1.1.3. Scope of The Business Model ..... 8

1.2. Business Ideas ..... 10

1.2.1. What ..... 10

1.2.2. Who ..... 10

1.2.3. Where ..... 10

1.2.4. When ..... 10

1.2.5. Why ..... 11

1.2.6. How ..... 11

1.3. Report Systematics ..... 11

***CHAPTER 2 BUSINESS DESIGN AND ANALYSIS*** ..... ***14***

2.1. Value Proposition ..... 14

2.1.1. Market and Industry Analysis ..... 14

2.1.2. Value Proposition Design ..... 20

2.2. Business Model ..... 22

2.3. Implementation Planning and Business Development ..... 25

***CHAPTER 3 GENERAL REPORT*** ***27***

3.1. Business Profile 27

3.1.1. Vision 28

3.1.2. Mission 28

3.1.3. Logo 28

3.1.4. Business Location 29

3.2. Business Conduct 29

3.2.1. Marketing Aspects 29

3.2.2. Finance Aspects 49

3.2.3. Operational Aspects 56

3.2.4. Human Resource Aspects 66

***CHAPTER 4 PROBLEM IDENTIFICATION AND PROBLEM SOLVING*** ***70***

4.1. Identification of Problems 70

4.2. Theoretical Review 71

4.2.1. Blue Ocean Strategy, Resource-Based View (RBV), and Human Capital Theory 71

4.2.2. Lean Accounting and Strategic Cost Management 71

4.2.3. Data-Driven Decision Making (DDDM) 72

4.2.4. Total Quality Management (TQM) and Six Sigma 72

4.2.5. Omnichannel Marketing and Digital Transformation 72

4.2.6. Working Capital Management and the Cash Conversion Cycle 73

4.2.7. Customer Relationship Management (CRM) Theory 73

4.2.8. Innovation Diffusion Theory 73

4.3. Problem Solving 73

4.3.1. Competition from Large Chain Bakeries 74

4.3.2. Financial Management (Future Implementation) 75

4.3.3. Labor Shortage (Future Implementation) 75

4.3.4. Data Management (Future Implementation) 76

4.3.5. Online Presence and Digital Marketing (Partial Implementation) 77

4.3.6. Product Quality Consistency (Partial Implementation) 78

4.3.7. Cash Flow Management (Future Implementation) 79

***CHAPTER 5 CONCLUSIONS AND RECOMMENDATIONS*** ***81***

5.1. Conclusions 81

5.2. Recommendations.....82
***BIBLIOGRAPHY*.....*84***

## LIST OF FIGURES

Figure 1.1 Average bread revenue per capita chart....4

Figure 1.2 Bread consumption yearly per capita chart....5

Figure 2.1 Graphic data on the market growth of bakeries in Indonesia chart (DPO International, 2023)....14

Figure 2.2 Laziza Bakery Business Model Canvas....23

Figure 3.1 Logo of Laziza Bakery....28

Figure 3.2 Bolu Lapis Legit....31

Figure 3.3 Paket Hantaran....31

Figure 3.4 Base Cake for Customization....32

Figure 3.5 Bombolini....32

Figure 3.6 Catering Promotional Poster....33

Figure 3.7 Store Frontside....34

Figure 3.8 Store Interior....34

Figure 3.9 Whatsapp Business Profile....35

Figure 3.10 Kebumen Park Kiosk....36

Figure 3.11 Event Kiosk....36

Figure 3.12 Instagram Analytics Overview....37

Figure 3.13 Tiktok Analytics Overview....38

Figure 3.14 Tiktok Analytics Overview 2....38

Figure 3.15 Customer Survey Result....39

Figure 3.16 Product Survey Result....40

Figure 3.17 Instagram Page Interaction....41

Figure 3.18 Facebook Page Interaction....42
Figure 3.19 Product Review by Local Influencers....43
Figure 3.20 Partnership with Educational Institution....43
Figure 3.22 Hosting Event Activities....44
Figure 3.23 National Event Products....44
Figure 3.24 Products on Business Partner....45
Figure 3.25 Products on Retailer....46
Figure 3.26 Cashier....46
Figure 3.27 Online Orders....47
Figure 3.28 Delivery Vehicle....48
Figure 3.29 Packaging....49
Figure 3.30 Expense Diagram....50
Figure 3.31 Material from Various Distributor....56
Figure 3.32 Bakpia....57
Figure 3.33 Tart....58
Figure 3.34 Store Layout....59
Figure 3.35 Bread variant....60
Figure 3.36 Abon Variant....60
Figure 3.37 Process Making of Plain Bread....61
Figure 3.38 Product....61
Figure 3.39 Bolen's Product....62
Figure 3.40 Cake's Product....62
Figure 3.41 Bakpia's Product....63

Figure 3.42 Cookie’s Product ..... 63

Figure 3.43 Label on Packaging ..... 65

Figure 3.44 Organizational Structure ..... 66

## LIST OF TABLES

Table 2.1 Similar Companies Competition Analysis ..... 15

Table 2.2 Indications of the Entry of New Competitors ..... 17

Table 2.3 Supplier Bargaining Power Indication ..... 18

Table 2.4 Buyer Bargaining Power Indication ..... 19

Table 2.5 Indications of the Development of Substitution Products ..... 20

Table 3.1 Growth Trajectory from January to July ..... 50

Table 3.2 Monthly Performance Metrics ..... 51

Table 3.3 Expense Distribution Breakdown ..... 52

Table 3.4 Annual Revenue and Profitability Forecast ..... 54

Table 4.1 Problem Priority Analysis ..... 70

# ABSTRACT

Muhammad Ahnaf Zalfa

19311506@students.uii.ac.id

This report was created with the aims to compare Laziza Bakery's actual performance against its initial business design and analyze the results from the beginning until 2024. The study examines how the bakery's operation developing to a professionally streamlined establishment and has influenced the local bakery industry in Kebumen, Central Java, while maintaining its commitment to company initial values with contemporary adjustments. The implementation employed a qualitative case study methodology, dissolving the results of the original business plan to identify areas of successful execution and adaptation during the implementation phase. The study reveals that Laziza Bakery has successfully established itself as a notable player in the local market, implementing data-driven decision-making processes while maintaining authentic culinary practices and community engagement. Financial analysis reveals strong market performance, with revenue indices peaking at 198.8 (base: January 2024=100) in June 2024. The business model excelled in product development, customer relationships, and operational optimization, while identifying areas for improvement in technology adoption and market expansion. Refined strategies focused on enhancing product variety, integrating distribution channels, and strengthening digital presence. Despite necessary adjustments, the implementation successfully realized core business strategies, positioning Laziza Bakery for sustainable growth in the dynamic bakery industry.

Keywords: Business Implementation, Innovation, Brand Development, Local Industry,

Operational Excellence, Digital Integration

# ABSTRAK

Muhammad Ahnaf Zalfa

19311506@students.uii.ac.id

Laporan ini dibuat dengan tujuan untuk membandingkan kinerja aktual Laziza Bakery dengan desain bisnis awalnya, menganalisis hasil-hasilnya hingga tahun 2024. Studi ini meneliti bagaimana operasi toko roti berkembang menjadi sebuah usaha yang dikelola secara profesional dan telah mempengaruhi industri roti lokal di Kebumen, Jawa Tengah, sambil tetap mempertahankan komitmennya terhadap nilai-nilai awal perusahaan dengan penyesuaian kontemporer. Implementasi menggunakan metodologi studi kasus kualitatif, menguraikan hasil-hasil dari rencana bisnis awal untuk mengidentifikasi area-area yang berhasil dieksekusi dan diadaptasi selama fase implementasi. Studi ini mengungkapkan bahwa Laziza Bakery telah berhasil memantapkan dirinya sebagai pemain penting di pasar lokal, menerapkan proses pengambilan keputusan berbasis data sambil mempertahankan praktik kuliner autentik dan keterlibatan masyarakat. Analisis keuangan menunjukkan kinerja pasar yang kuat, dengan indeks pendapatan mencapai puncaknya pada 198,8 (basis: Januari 2024=100) pada Juni 2024. Model bisnis unggul dalam pengembangan produk, hubungan pelanggan, dan optimalisasi operasional, sambil mengidentifikasi area-area yang perlu ditingkatkan dalam adopsi teknologi dan ekspansi pasar. Strategi yang disempurnakan berfokus pada peningkatan variasi produk, integrasi saluran distribusi, dan penguatan kehadiran digital. Meskipun diperlukan penyesuaian, implementasi berhasil mewujudkan strategi bisnis inti, memposisikan Laziza Bakery untuk pertumbuhan berkelanjutan dalam industri roti yang dinamis.

Kata kunci: Implementasi Bisnis, Inovasi, Pengembangan Merek, Industri Lokal,

Keunggulan Operasional, Integrasi Digital

# CHAPTER 1

# INTRODUCTION

## 1.1. Background

The Indonesian food industry presents significant opportunities and challenges, particularly in the bakery sector. Bread has become Indonesia’s third most consumed staple after rice and noodles, reflecting changing consumer preferences towards convenient or alternative food options. According to Statista (2024), as of this year, Indonesia's bread and bakery products market is valued at US$51.99 billion, with projections indicating it will grow at an annual rate of 4.84% (CAGR) through 2029. This growth is driven by urbanization, rising disposable incomes, and evolving dietary habits among the country's population. Statista reports that the market volume is expected to reach 40.51 billion kilograms by 2029, with a volume growth of 2.4% anticipated in 2025. This expansion reflects changing consumer preferences in Indonesia's populous market, where the average person is expected to consume 132.0 kg of bread and bakery products in 2024, generating a per person revenue of US$185.80.

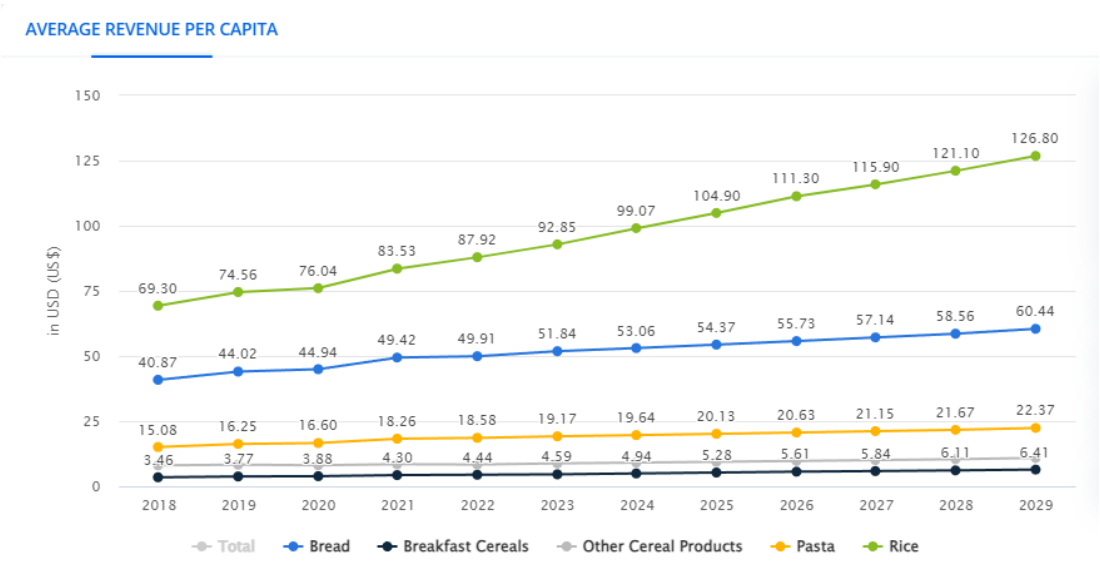



Figure 1.1 Average bread revenue per capita chart (Statista Market Insights, 2024)

Despite the promising market conditions, the bakery industry faces unique challenges, primarily due to the short shelf-life of its products, around 3-5 days. This necessitates efficient supply chain management and innovative s ales strategies, also the market remains diverse, with small and medium enterprises dominating 55% of the market share, large producers accounting for 25%, and artisanal bakeries comprising the remaining 20%. In this competitive landscape, to succeed, a new establishment can depend on balancing product quality, meeting market demand, creating efficient distribution, and innovative marketing approaches. In this vast dynamic environment, Laziza Bakery has established itself as a potential notable player, leveraging the growing demand for quality baked goods while addressing the industry's unique challenges.

Table 5
Yearly per capita consumption of bread (and cake)

| Type | UoM | 2014 | 2015 | 2016 | 2017 | 2018 | Growth Rate (%) |
|---|---|---|---|---|---|---|---|
| Toast bread | Pack | 0.062 | – | – | 0.367 | 0.366 | – |
| Sweet bread | Per 0.1 kg | 0.495 | – | – | 1.104 | 1.122 | – |
| Cookies | Per 0.1 kg | 0.168 | 0.353 | 0.373 | 0.384 | 0.438 | 33.3% |
| Cake | Pieces | 0.695 | 1.245 | 1.290 | 1.345 | 1.431 | 23.3% |

Source: Indonesian Ministry of Agriculture

Figure 1.2 Bread consumption yearly per capita chart

### 1.1.1. History

Laziza Bakery is a family-owned operating business established by a passionate industry veteran. The founder spent 23 years working in the bakery ingredient industry, gaining extensive knowledge of what is behind top-quality baking. After his career in the industry, he established Laziza Bakery, combining skills and expertise learned to create a bakery on a foundation of traditional values and modern recipes.

Laziza Bakery, which started in 2015, has grown from a home-based operation into a professional bakery in 2017 and now has an online ordering capability. Laziza targets all ages market, serves various customer segments including families, workers, students, and organizations. The bakery's unique selling proposition lies in its blend of traditional recipes with innovative modern twists, creating a distinctive and authentic bakery experience.

The bakery team consists of skilled bakers and industry experts representing the brand dedicated to providing the best possible experience for customers. Laziza Bakery also partners with notable suppliers and vendors, both local and national, to source high-

quality ingredients and materials, reflecting Its commitment to sustainable and professional baking practices.

### 1.1.2. Purpose and Benefits of The Business Model

The purpose of Laziza Bakery's business model is multifaceted. It aims to create a sustainable and impactful presence in the local bakery industry while delivering value to customers, employees, and the community at large.

The objectives of Laziza bakery are to:

1. offer a diverse range of authentic, high-quality bakery items that blend traditional Indonesian flavors with modern culinary trends.
2. preserve and celebrate local culinary heritage by incorporating traditional recipes and ingredients into the product lineup.
3. create a welcoming space that encourages social interactions and cultural exchange.
4. implement eco-friendly operations and sourcing strategies to minimize environmental impact and promote responsible consumption.
5. continuously develop new products and processes to stay ahead of market trends and meet evolving customer preferences.

The business offers benefits for the following aspects:

1. Customer Value:
    a. Access to a wide range of high-quality, freshly baked goods
    b. Unique flavor experiences that combine tradition with innovation

    c. Convenient ordering options through multiple channels (in-store, online)
    d. Personalized service and custom order capabilities
2. Community Impact:
    a. Preservation of local culinary traditions
    b. Job creation and economic stimulation in the local area
    c. Support for local suppliers and farmers
    d. Engagement in community events and initiatives
3. Employee Development:
    a. Opportunities for skill enhancement and career growth
    b. Fostering a positive work environment that values creativity and teamwork
    c. Competitive compensation and benefits package
4. Market Differentiation:
    a. Unique positioning as a blend of traditional and modern bakery
    b. Strong brand identity rooted in community connection
    c. Adaptability to changing consumer trends and preferences
5. Operational Efficiency:
    a. Integrated multi-channel distribution strategy
    b. Data-driven decision-making capabilities
    c. Streamlined production processes and inventory management
6. Sustainability:

a. Reduced environmental footprint through eco-friendly practices
b. Promotion of sustainable consumption habits among customers
c. Long-term business viability through responsible resource management

7. Financial Performance:
    a. Multiple revenue streams (retail, online, catering, partnerships)
    b. Potential for scalable growth and market expansion
    c. Balanced approach to profitability and community investment

### 1.1.3. Scope of The Business Model

1. Product Range
    a. Breads
    b. Cakes
    c. Pastries
    d. Cookies
    e. Bakpia
2. Target Market
    a. Young professionals and families seeking convenient, quality baked goods
    b. Health-conscious consumers interested in artisanal and wholesome options
    c. Event institutions (cafes, restaurants, schools)
    d. Kebumen and Coast areas
    e. Broader reach through online platforms and delivery services
3. Distribution Channels

a. Physical Store
b. Proprietary website with e-commerce capabilities
c. Presence on social media platforms
d. Partnerships with retails

4. Special Services
    a. Personalized cakes and pastries for special occasions
    b. Corporate gift packages and branded items
    c. Full-service catering for weddings, birthdays, and corporate events
    d. Themed baked goods for holidays and cultural celebrations
    e. Periodic workshops teaching traditional and modern baking techniques
5. Production Capacity
    a. Daily production capacity: Up to 1,000 bread loaves, 100 cakes, and 2,000 pastries/cookies
    b. Scalable production model to accommodate growth and seasonal demand fluctuations
6. Competitive Positioning
    a. Unique value proposition: "Where Tradition Meets Innovation"
    b. Differentiation
7. Sustainability Initiatives
    a. Use of eco-friendly packaging materials
    b. Implementation of waste reduction and recycling programs
    c. Partnerships with local farmers and suppliers to reduce carbon footprint

## 1.2. Business Ideas

### 1.2.1. What

Laziza Bakery is a premium bakery establishment that combines traditional baking values with contemporary culinary innovations. The business offers high-quality, creative baked goods through multiple channels, including physical stores, online ordering platforms, and food delivery services. Beyond retail sales, the bakery extends its services to include educational initiatives through baking workshops and community programs.

### 1.2.2. Who

Our services cater to a diverse local community with varying preferences and needs. We maintain strong partnerships with reputable both local and larger suppliers to ensure premium quality ingredients. Our professional staff delivers exceptional customer service, creating personalized experiences for each customer who walks through our doors.

### 1.2.3. Where

Our operation is based in Kebumen with physical retail locations where customers can enjoy our inviting atmosphere. We maintain online presence for digital orders and extend our reach through food delivery services. Our community workshops and educational programs take place for interactive learning experiences.

### 1.2.4. When

Laziza Bakery operates seven days a week, ensuring consistent availability through all our service channels. Our multiple ordering platforms - in-store, online, and delivery - provide customers with always available access to our products and services.

### 1.2.5. Why

Our mission is to deliver premium bakery experiences at competitive prices while serving as a bridge between traditional baking and modern culinary trends. We aim to fulfill diverse community needs while promoting sustainability and fostering community engagement through our various initiatives.

### 1.2.6. How

We achieve our business objectives through several key strategies: establishing partnerships with trusted local suppliers, utilizing advanced baking equipment, implementing efficient inventory management systems, and conducting ongoing market trend analysis. Our operations emphasize eco-friendly practices and waste reduction initiatives. We create personalized customer experiences within a warm atmosphere and continuously develop growth strategies based on market analysis and customer feedback.

## 1.3. Report Systematics

**Chapter 1: Introduction**

It contains an introduction that consists of sub-chapters such as background, business objectives, business benefits, the scope of business models, business ideas, and report systematics. The background contains the causes, opportunities, and emergence of Laziza Bakery's business idea based on appropriate data and theories. The business goals and benefits section include the goals and benefits of Laziza Bakery. In the scope of the business model section, it is described the scope of Laziza Bakery's business model, including its product range (bread, cakes, pastries, cookies, and bakpia), target market (local customers and online reach), and operational scope (physical store and online

platforms). Then, the business ideas section explains the what, who, where, when, why, and how of Laziza Bakery's business model. In the last section there is a systematics section of the report containing how the final project report on the design and implementation of Laziza Bakery has been made

**Chapter 2: Business Analytics and Role**

Chapter 2 contains, Business Analysis and Design, which consists of several sub-chapters: value proposition, business model design, and business implementation and development planning. The value proposition section contains industry market analysis through five force porters and a value proposition canvas. The business model design section describes the business model canvas for Laziza Bakery. Then, the implementation planning and business development section contains strategies for implementing the business model canvas and growth plans for Laziza Bakery.

**Chapter 3: General Report on the Implementation of Activities**

Chapter 3 presents a general report on the implementation of Laziza Bakery's business activities, namely business profiles and implementation. The profile section describes Laziza Bakery's business profile and business implementation in general, which consists of the business field (bakery products and services), business location, and business development. Then, the business implementation section contains several aspects, such as marketing and finance, operations/production, and human resources.

**Chapter 4: Identification and Troubleshooting**

The Chapter 4 provides identification and problem-solving that consists of several sub-chapter sections: problem identification, theoretical review, and problem correction. The problem identification section describes the problems faced by Laziza Bakery. The theoretical review section outlines theories related to bakery management and the food industry. The problem-solving section discusses the theory or approach that was used to solve the problems occurred in the business implementation of Laziza Bakery.

**Chapter 5: Conclusions and Recommendations**

Chapter 5 contains conclusions and recommendations that outline the implementation of Laziza Bakery in general, the implementation of functional aspects, and the resolution of the problems described in Chapter 4. It also contains advice for students who will enter the bakery business or engage in the same field of business.

# CHAPTER 2

# BUSINESS DESIGN AND ANALYSIS

## 2.1. Value Proposition

### 2.1.1. Market and Industry Analysis

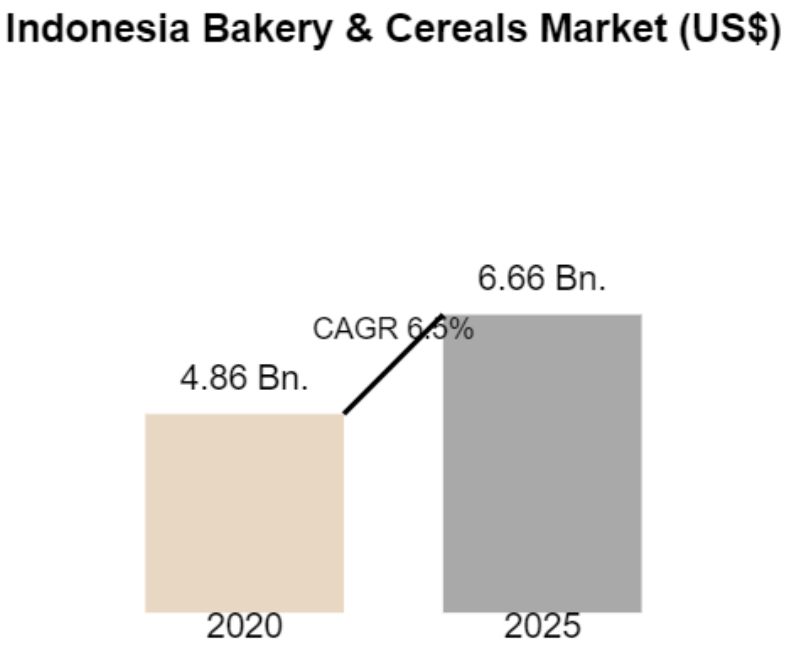



Figure 2.1 Graphic data on the market growth of bakeries in Indonesia chart (DPO International, 2023)

To analyze the bakery industry's landscape, the writer utilize Porter’s Five Forces framework, a management tool that provides a comprehensive assessment of the industry's key factors shaping market dynamics. Laziza Bakery faces challenges from both local independent bakeries and larger chain bakeries, highlighting the market's competitive pressures. This framework helps understand the competitive forces at play, such as the

threat of new entrants, the bargaining power of suppliers and customers, and the intensity of rivalry among existing competitors.

#### 2.1.1.1. *Competitive Rivalry*

Laziza Bakery leverages its strategic geographical location and valued local innovations to penetrate the market, reach a wider audience, and build a loyal customer base.

Table 2.1 Similar Companies Competition Analysis

| **No.** | **Indicator** | **Analysis** | **Conclusion** |
|---|---|---|---|
| 1 | Number of Competitors (Local) | a. Banana Bread & Cakes<br>b. BreadLin<br>c. Adilla's Cake & Bakery<br>d. Purimas 3 Cake & Bakery<br>e. Dapur Maryam Bakery<br>f. Senorita Bakeshop<br>g. Tulip Stars<br>h. Aldillas<br>i. Papa Cookies<br>j. Alif Bakery<br>k. Bonita<br>l. Hanny Bakery<br>m. Queen Bakery | High competition |

| | | | |
|---|---|---|---|
| 2 | Number of Competitors (National) | a. J.Co<br>b. Holland Bakery<br>c. Roti Sari | Low competition |
| 3 | Competitors with selling price <50,000 | Most local competitors have average product selling prices below IDR 50,000, making it a competitive price range for everyday bakery items. | High competition |
| 4 | Competitors with selling price >50,000 | Few local competitors have products priced above IDR 50,000, mainly for specialty items or custom orders. | Low competition |
| 5 | Competitors with selling price >100,000 | Very few local competitors have products priced above IDR 100,000, typically for custom cakes or large orders. | Low competition |
| 6 | Raw material differentiation | Competitors use a variety of raw materials, including local and imported ingredients | Moderate competition |
| 7 | Product type differentiation | Each competitor offers a unique range of products, from traditional breads and pastries to modern cakes and specialty items. | High competition |

#### 2.1.1.2. *Threat of New Entrants*

The writer considers small-scale and professional operations to analyze the barriers to entry in the bakery industry. Small bakeries face relatively low barriers, requiring minimal specialized equipment and often relying on personal skills and local supplier relationships. However, establishing a professional bakery store involves higher obstacles due to the need for advanced equipment, skilled labor, and established supplier networks. In this context, Laziza Bakery's strategy focuses on making unique, high-quality baked goods, deterring new competitors from replicating our value proposition. This approach helps Laziza Bakery navigate the competitive landscape, strengthening its competitive advantage.

Table 2.2 Indications of the Entry of New Competitors

| **No.** | **Indicator** | **Analysis** | **Conclusion** |
|---|---|---|---|
| 1 | Investment Requirements | IDR 50,000,000 for starting bakery shop | High threat |
| 2 | Customer Loyalty | Influenced by the quality, freshness, and uniqueness of the products. | High threat |
| 3 | Access to Distribution Channels | Offline / online marketplaces and delivery services | High threat |
| 4 | Government Policy | Obtaining necessary permits and adhering to health and safety standards is essential. | High threat |

#### 2.1.1.3. *Bargaining Power of Suppliers*

The concentration ratio between individual supplier value and total supply value is deliberately kept low through strategic supplier diversification. With numerous suppliers available in the market and multiple active partnerships across different ingredient categories, the bargaining power of suppliers remains relatively low. While suppliers could theoretically leverage their position by threatening price increases or quality reductions of essential bakery ingredients, the abundance of alternative suppliers and Laziza Bakery's diversification strategy effectively minimizes this risk.

Table 2.3 Supplier Bargaining Power Indication

| **No.** | **Indicator** | **Analysis** | **Conclusion** |
|---|---|---|---|
| 1 | Level of Supplier Domination | Not dominated by 1 supplier. | Low |
| 2 | Alternative Suppliers | Readily available alternatives. | Low |
| 3 | Product Quality Level | Multiple suppliers can meet our quality standards. | Low |
| 4 | Supplier Competition | High market competition. | Low |
| 5 | Switching Costs | Low bargaining power as switching costs are minimal | Low |

#### 2.1.1.4. *Bargaining Power of Buyers*

Table 2.4 Buyer Bargaining Power Indication

| No. | Indicator | Analysis | Conclusion |
|---|---|---|---|
| 1 | Buyer Group | Bargaining power varies by age and occupation. Children have low bargaining power, teenagers moderate it, and adults have high level of bargaining power. | Moderate |
| 2 | Type of Product Purchased | Availability of alternatives and consumer preference for unique and fresh products. | High threat |
| 3 | Product Advantages Offered | Consumers can easily switch to other bakeries if these advantages are not met. | High threat |
| 4 | Clarity of Information about the Product | Product information through social media, local community events, and word of mouth. | High threat |
| 5 | Market Share of Buyers Each Year | Market share fluctuates with local events, festivals, and seasons. | High threat |

#### 2.1.1.5. *Threat of Substitute Products*

Table 2.5 Indications of the Development of Substitution Products

| No. | Indicator | Analysis | Conclusion |
|---|---|---|---|
| 1 | The Level of Need for Substitute Products | Flavors, freshness, and innovation differentiate bakery products. | Moderate threat |
| 2 | Ease of Obtaining Replacement Products | Difficulty in obtaining replacement products due to the unique quality, local ingredients, and recipes used in bakery products. | Low threat |
| 3 | Substitute Product Innovation | Moderate product innovation in the bakery industry due to evolving consumer preferences and seasonal demands. | Moderate threat |

### 2.1.2. Value Proposition Design

#### 2.1.2.1. *Customer Segments*

1. Customer Jobs:
    a. Daily food consumption for work/school
    b. Planning special events/celebrations
    c. Finding healthy food options

d. Gifting to others

e. Exploring local culinary experiences

2. Pains:

a. Daily food consumption for work/school

b. Planning special events/celebrations

c. Finding healthy food options

d. Gifting to others

e. Exploring local culinary experiences

3. Gains:

a. Daily food consumption for work/school

b. Planning special events/celebrations

c. Finding healthy food options

d. Gifting to others

e. Exploring local culinary experiences

#### 2.1.2.2. *Value Propositions*

1. Gain Creators:

a. Daily food consumption for work/school

b. Planning special events/celebrations

c. Finding healthy food options

d. Gifting to others

e. Exploring local culinary experiences

2. Products & Services:

a. Daily food consumption for work/school

b. Planning special events/celebrations

c. Finding healthy food options

d. Gifting to others

e. Exploring local culinary experiences

3. Pain Relievers:

a. Daily food consumption for work/school

b. Planning special events/celebrations

c. Finding healthy food options

d. Gifting to others

e. Exploring local culinary experiences

## 2.2. Business Model

Laziza Bakery serves diverse customers with high-quality, customizable bakery products, blending traditional and modern flavors. It operates through physical and online channels, emphasizing sustainability and personalized service. Revenue comes from direct sales and custom orders. Key resources include skilled staff and quality ingredients, while activities focus on innovation and marketing. Partnerships with local suppliers and community organizations support operations. Costs primarily cover production, staff, marketing, and technology maintenance.

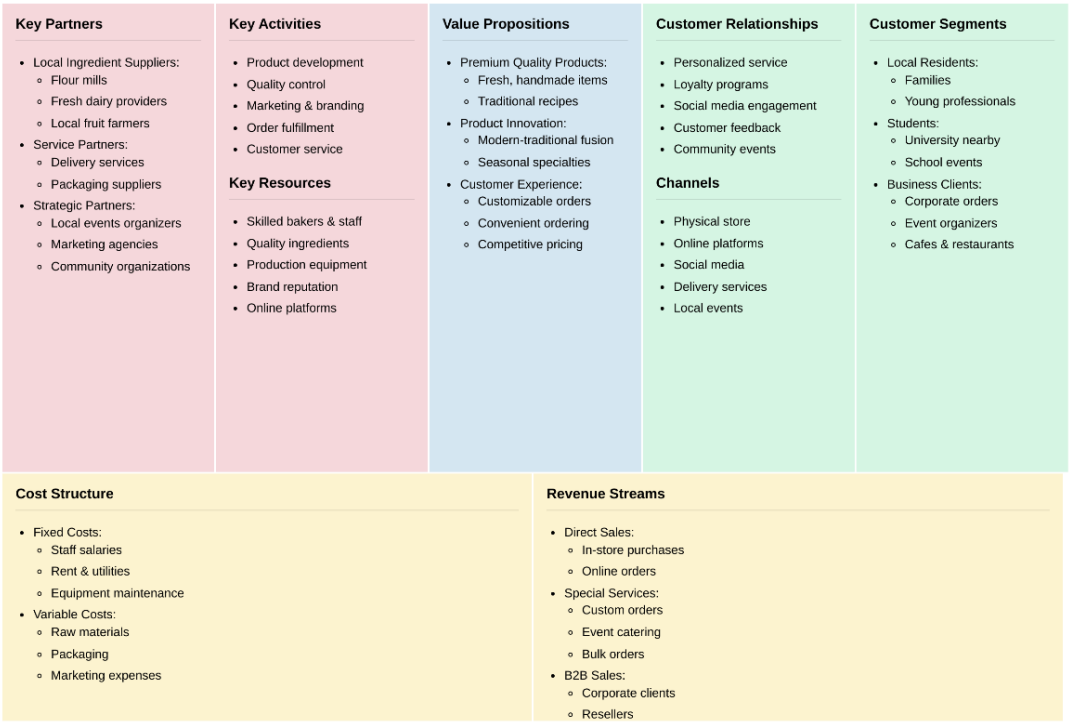



Figure 2.2 Laziza Bakery Business Model Canvas

1. Customer Segments:
    - Local residents
    - Health-conscious consumers
    - Event organizers
    - Tourists and visitors
    - Small businesses and corporate clients
2. Value Propositions:
    - High-quality bakery products
    - Blend of traditional and modern values
    - Convenient ordering and fast delivery
    - Customizable products

- Commitment to eco-friendly practices
- Exceptional customer service

3. Channels:
    - Physical store
    - Online store
    - Social media platforms
    - Local events and community kiosks
4. Customer Relationships:
    - Personalized customer service
    - Loyalty programs and rewards
    - Engagement through social media
    - Feedback and review systems
5. Revenue Streams:
    - Direct sales
    - Custom orders for events
    - Partnerships and bulk orders
6. Key Resources:
    - Skilled bakers and staff
    - High-quality ingredients
    - Production equipment and technology
    - Online platform
    - Marketing and branding resources
7. Key Activities:

- Product development and innovation
- Online and offline marketing
- Community engagement and events
- Order fulfillment and delivery
- Staff training and development

8. Key Partnerships:
    - Local suppliers and farmers
    - Delivery and logistics partners
    - Community organizations and event planners
    - Packaging suppliers
9. Cost Structure:
    - Ingredient and production costs
    - Staff salaries and training
    - Marketing and advertising expenses
    - Technology and platform maintenance
    - Utilities for the physical store

## 2.3. Implementation Planning and Business Development

Laziza Bakery is implementing a comprehensive digital strategy to enhance operational efficiency and customer engagement. This includes adopting digital accounting and management systems, secure data solutions, and robust information management practices. These initiatives will streamline operations, ensure data integrity, and support the bakery's growth trajectory. The bakery also focuses on establishing a strong online

presence through digital marketing efforts, enabling online ordering and delivery while leveraging social media analytics for data-driven decision-making.

Product innovation remains a key focus, with plans to expand offerings through new customization options catering to diverse preferences. Laziza Bakery is strengthening its supply chain by collaborating with local suppliers to ensure high-quality, fresh ingredients. Additionally, the bakery is pursuing strategic partnerships with event planners and local businesses to diversify revenue streams. Community engagement through event sponsorships and local collaborations forms an integral part of the bakery's brand-building strategy that is aimed at expanding its customer base.

# CHAPTER 3

# GENERAL REPORT

## 3.1. Business Profile

Established over five years ago, Laziza has evolved from a small home-based operation in 2015 to a prominent bakery shop by 2017. The bakery has positioned itself as a unique and promising establishment in the local market, distinguished by its commitment to quality products and community engagement.

The bakery's product portfolio encompasses a diverse range of offerings, including various breads, cakes, pastries, and cookies, catering to both everyday consumers and special event needs. Strategically located in a high-foot-traffic area, Laziza Bakery benefits from enhanced visibility and accessibility, contributing to its growing customer base and market presence.

The focus of Laziza Bakery business model is its product quality and customer service excellence. The bakery's team of skilled professionals contributes to creating a welcoming atmosphere and memorable customer experiences. This customer-centric approach, combined with the bakery's inviting ambiance and product quality, has fostered strong customer loyalty and community integration. As a result, Laziza Bakery has established itself as an integral part of the local culinary, balancing traditional practices with modern customer expectations.

### 3.1.1. Vision

To become the leading bakery for an innovative mix of traditional value with modern quality, meeting the diverse needs of the local community with innovation and passion.

### 3.1.2. Mission

1. Engage with the local community through events, partnerships, and initiatives that celebrate and support local culture and values.
2. Provide exceptional customer service and a welcoming atmosphere, making every visit to Laziza Bakery a memorable experience.
3. Implement sustainable practices in sourcing ingredients, production, and packaging to contribute positively to the environment.
4. Continuously innovate and expand product offerings to meet the evolving tastes and preferences of the customers.
5. Foster a positive work environment that encourages professional growth, creativity, and effective teamwork among the staff.

### 3.1.3. Logo




Figure 3.1 Logo of Laziza Bakery

### 3.1.4. Business Location

Laziza Bakery business location, warehouse, and office are located at Jl. Kemakmuran No.4, Dusun Ngebak, Plarangan Village, Karanganyar District, Kebumen Regency, Central Java.

## 3.2. Business Conduct

### 3.2.1. Marketing Aspects

#### 3.2.1.1. *Marketing Analysis*

Customer loyalty is primarily driven by product quality, freshness, and uniqueness. Market trends indicate a growing demand for quality bakery products, with a particular emphasis on offerings that blend traditional values with modern quality standards. The sector is experiencing increasing consumer interest in health-conscious and customized options, presenting opportunities for product innovation and market expansion. These trends align with Laziza Bakery strategic focus on quality, innovation, and diverse product offerings, positioning the company to capitalize on emerging market opportunities while navigating competitive challenges.

#### 3.2.1.2. *Marketing Mix Strategy*

Recent reports highlight several key trends that will shape market dynamics in 2024 and beyond. There's a rising appreciation for artisanal and craft bakery products. Supermarket News (2023) reports that in-store bakeries are focusing on unique, high-

quality items to differentiate themselves. Laziza marketing should emphasize the craftsmanship and quality of its products, potentially showcasing the skills of the bakers.

Limepack (2024) identifies a trend towards nostalgic flavors and comfort foods in bakery products. Consumers increasingly seek personalized experiences. With the rise of social media and online shopping, the digital marketing strategy is crucial. Supermarket News (2023) notes the importance of creating "Instagrammable" products. Focus on visually appealing content and engage with customers across various digital platforms.

The following 4Ps are the results of articulating key trends in the business:

1. Introduce fusion products combining local and global flavors.



Figure 3.2 Bolu Lapis Legit



Figure 3.3 Paket Hantaran

2. Develop customizable product options.



Figure 3.4 Base Cake for Customization



Figure 3.5 Bombolini

3. Implement dynamic pricing for online orders and peak times.




Figure 3.6 Catering Promotional Poster

4. Optimize physical store layout and experience.




Figure 3.7 Store Frontside



Figure 3.8 Store Interior

5. Enhance the online ordering system.

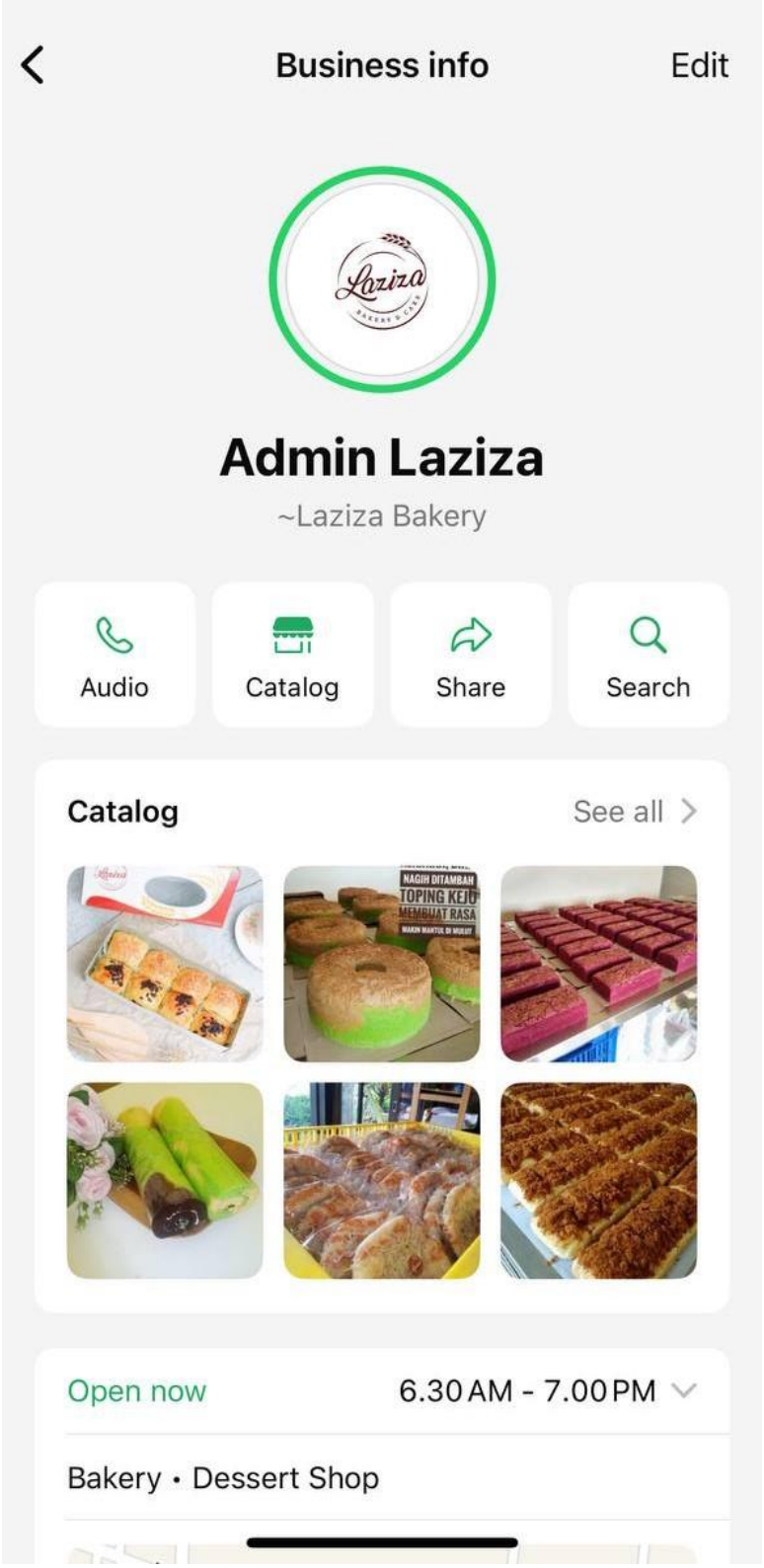



Figure 3.9 Whatsapp Business Profile

6. Establish branded kiosks in high-traffic locations.



Figure 3.10 Kebumen Park Kiosk



Figure 3.11 Event Kiosk

7. Utilize data-driven social media and content marketing.

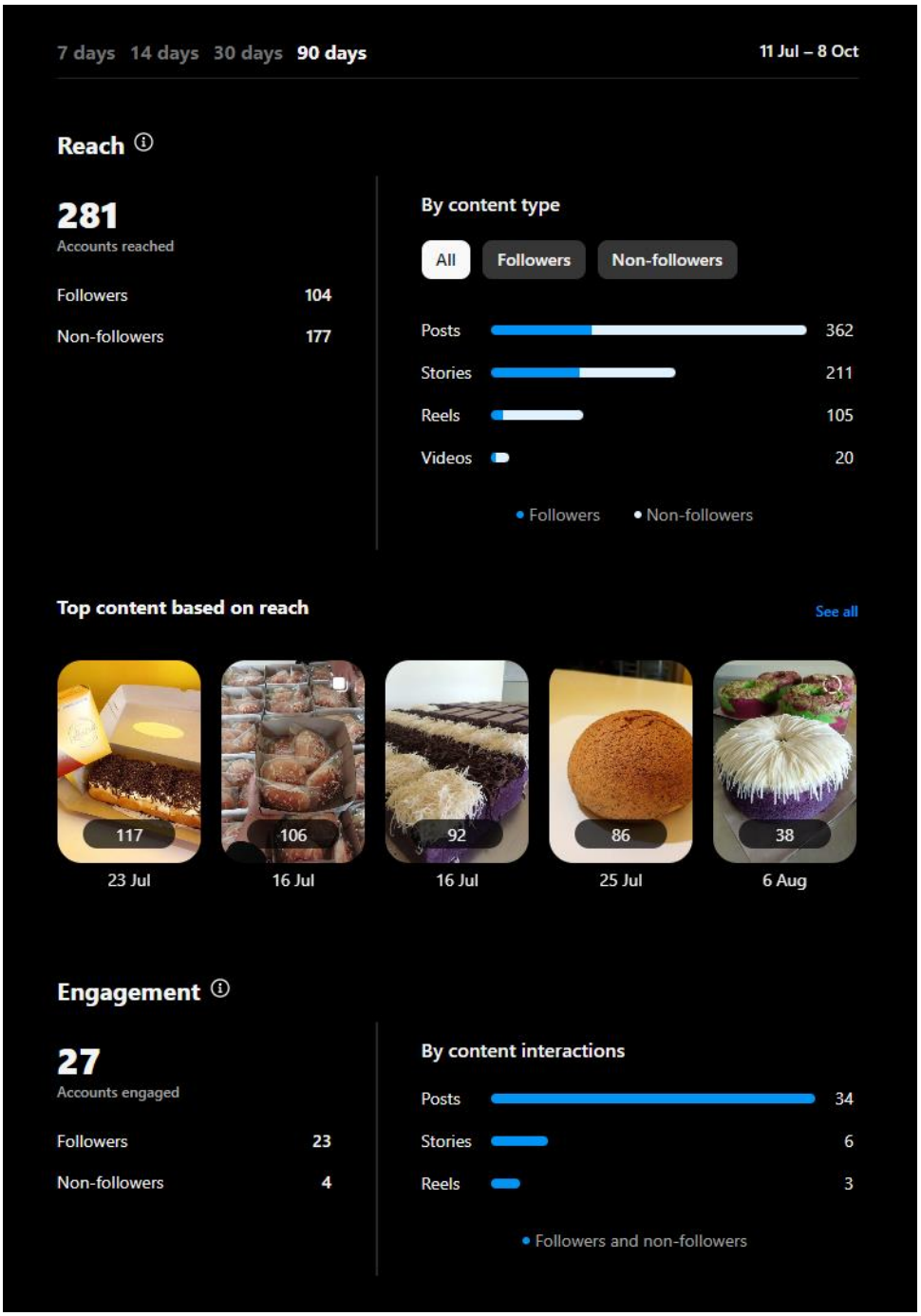



Figure 3.12 Instagram Analytics Overview

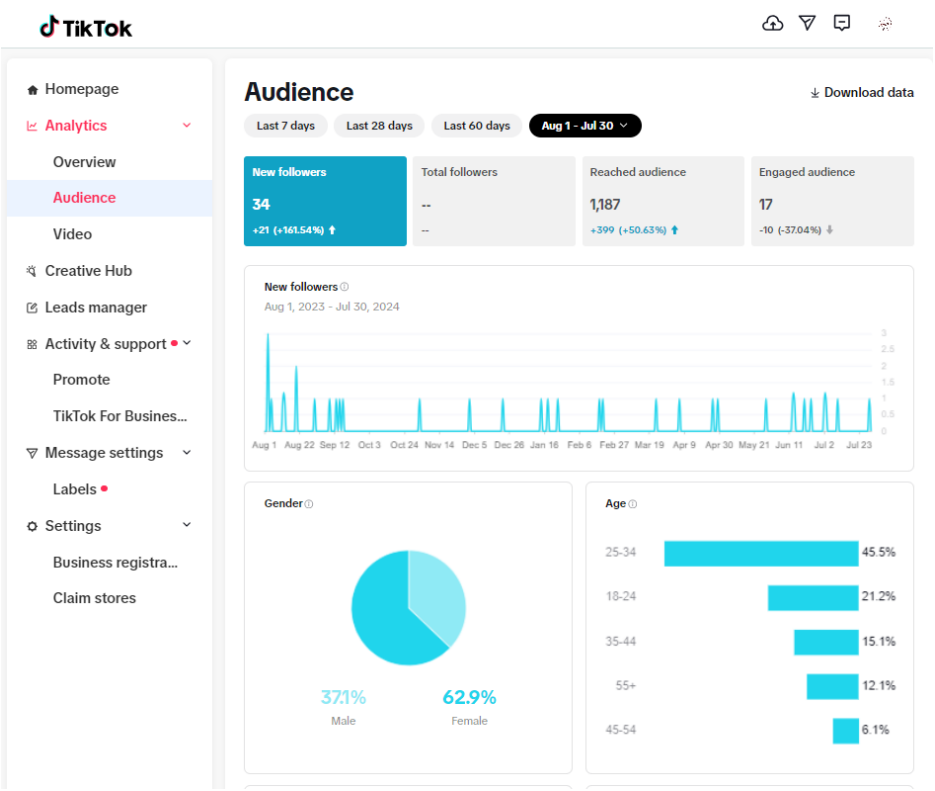



Figure 3.13 Tiktok Analytics Overview

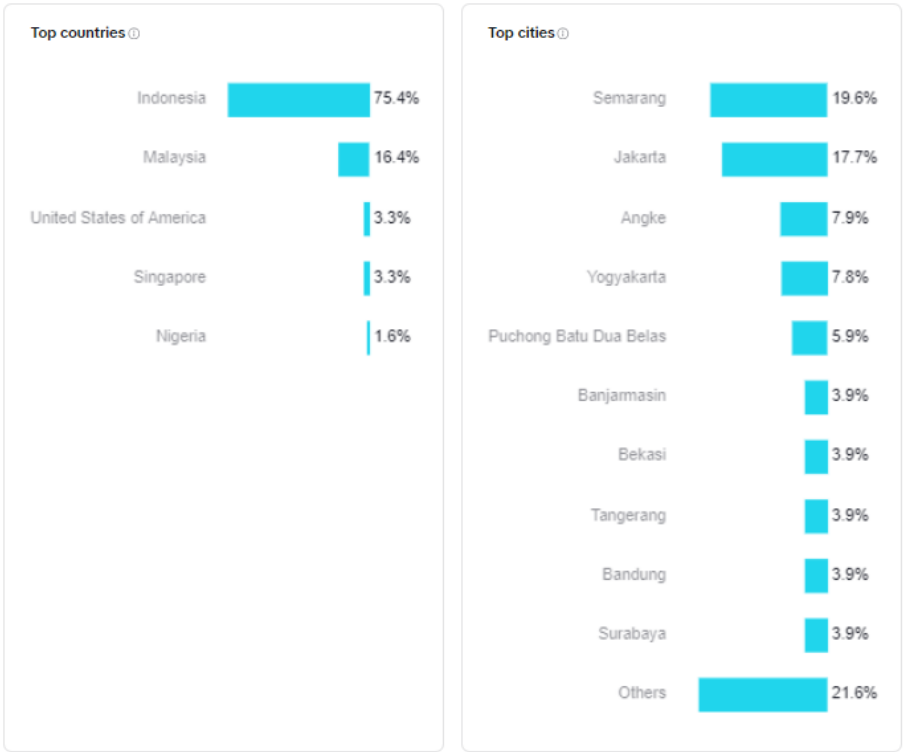



Figure 3.14 Tiktok Analytics Overview 2

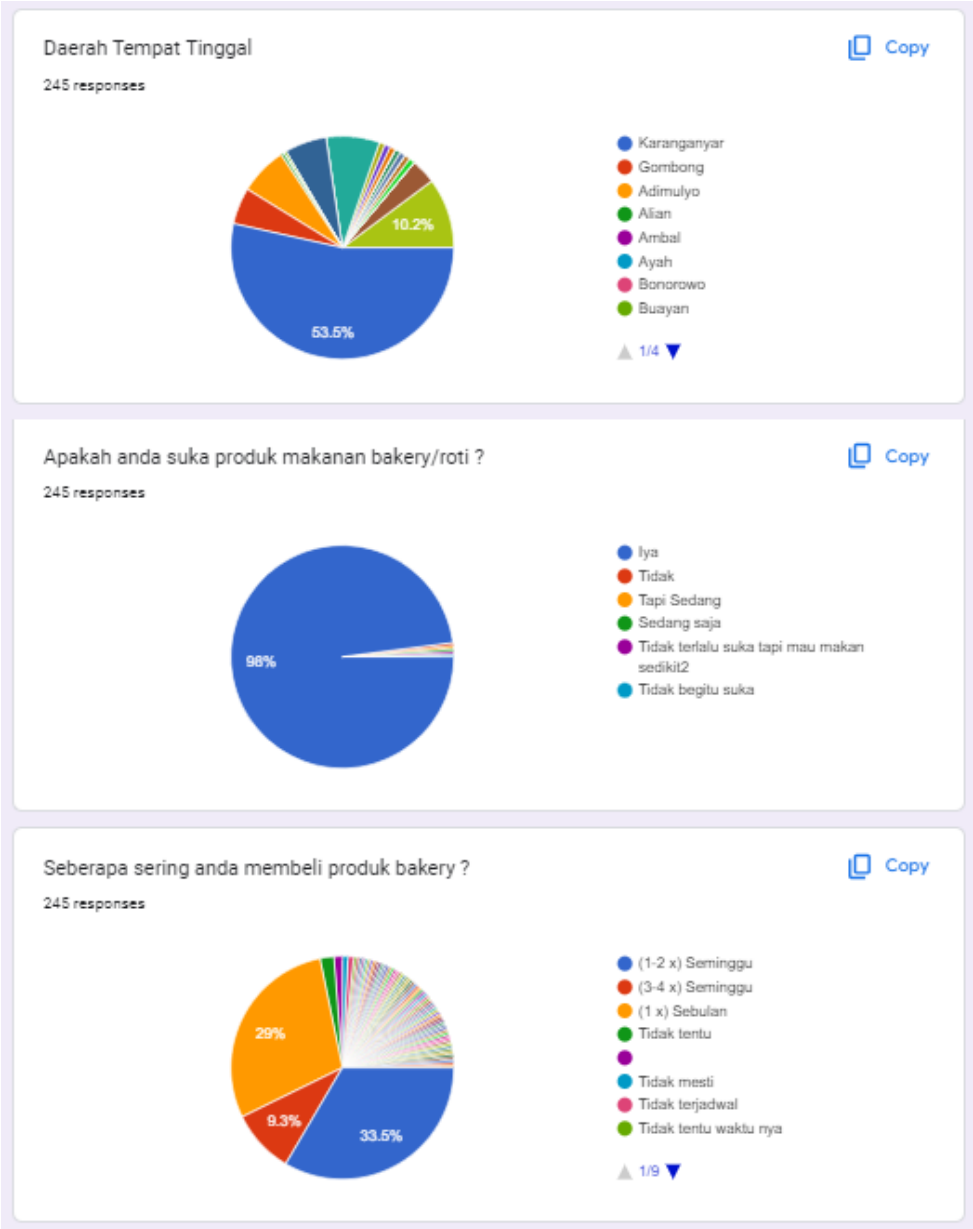



Figure 3.15 Customer Survey Result

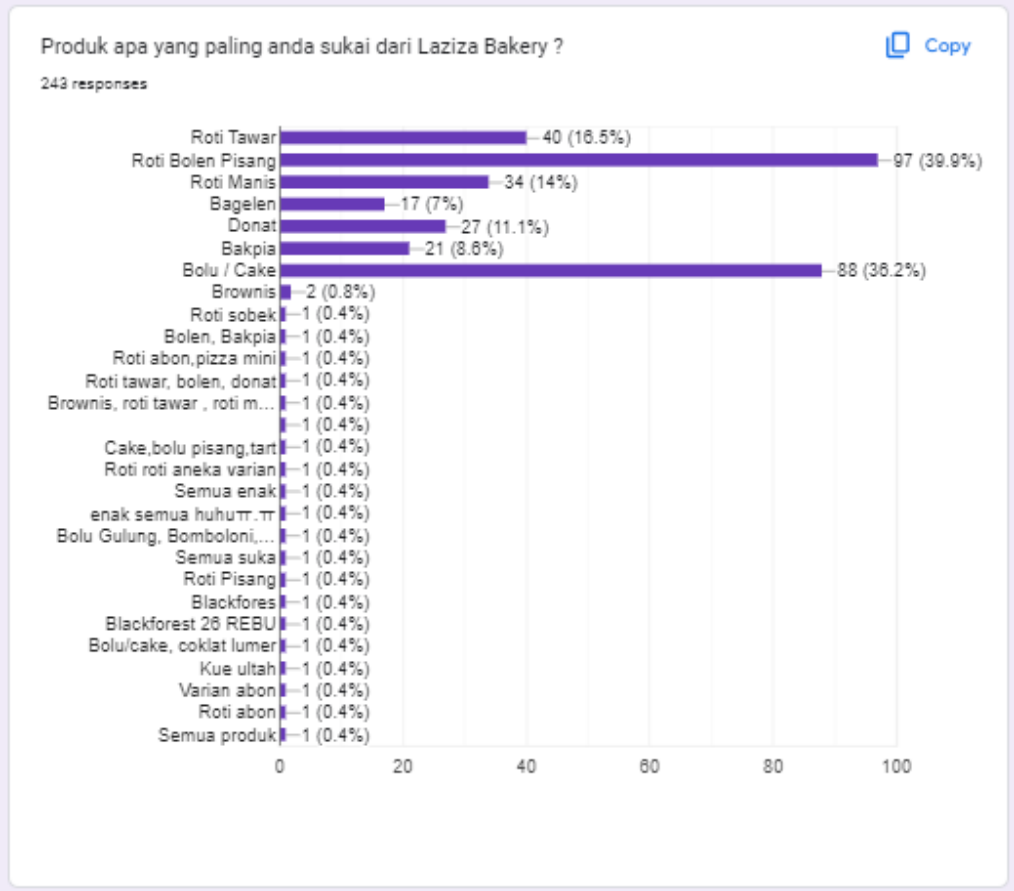



Figure 3.16 Product Survey Result

### 3.2.1.3. *Promotion Strategy*

1. Digital Marketing and Social Media Strategy.

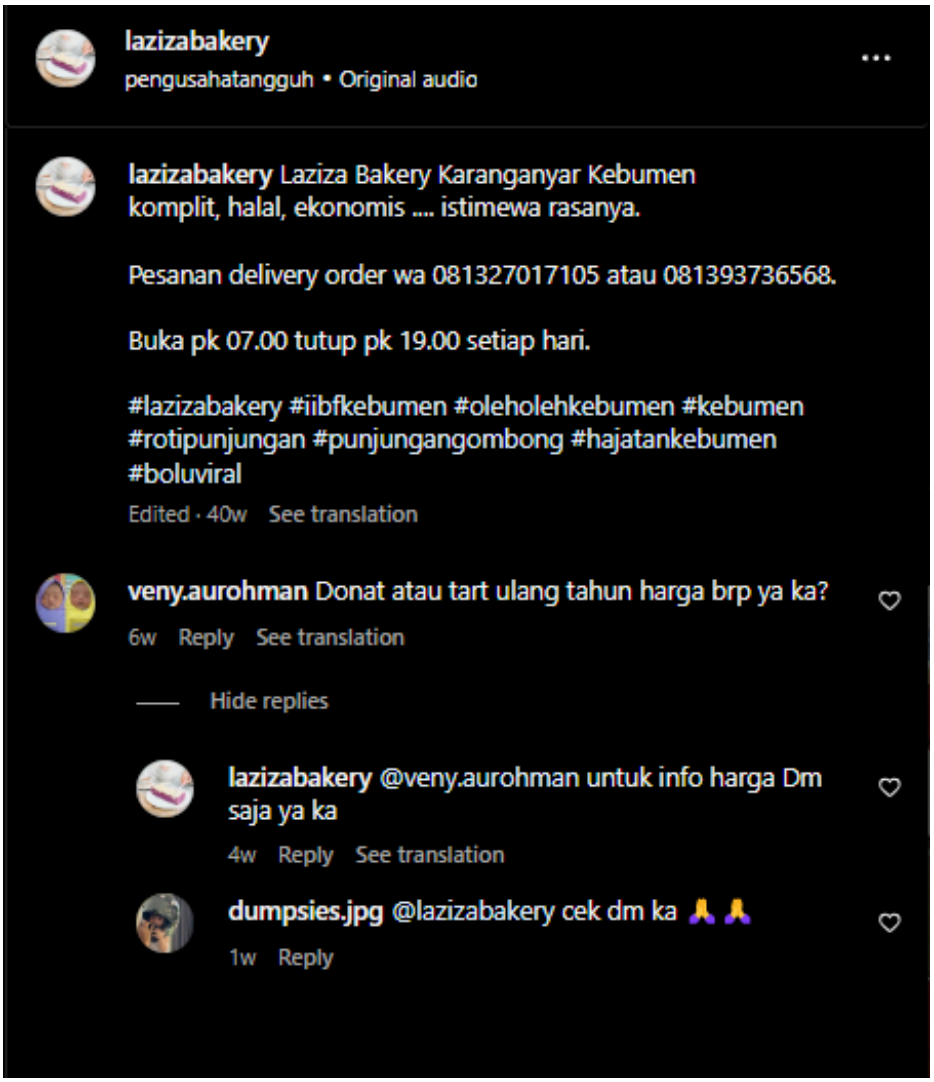



Figure 3.17 Instagram Page Interaction

2. Engaging social media presence on Instagram, Facebook, and TikTok.

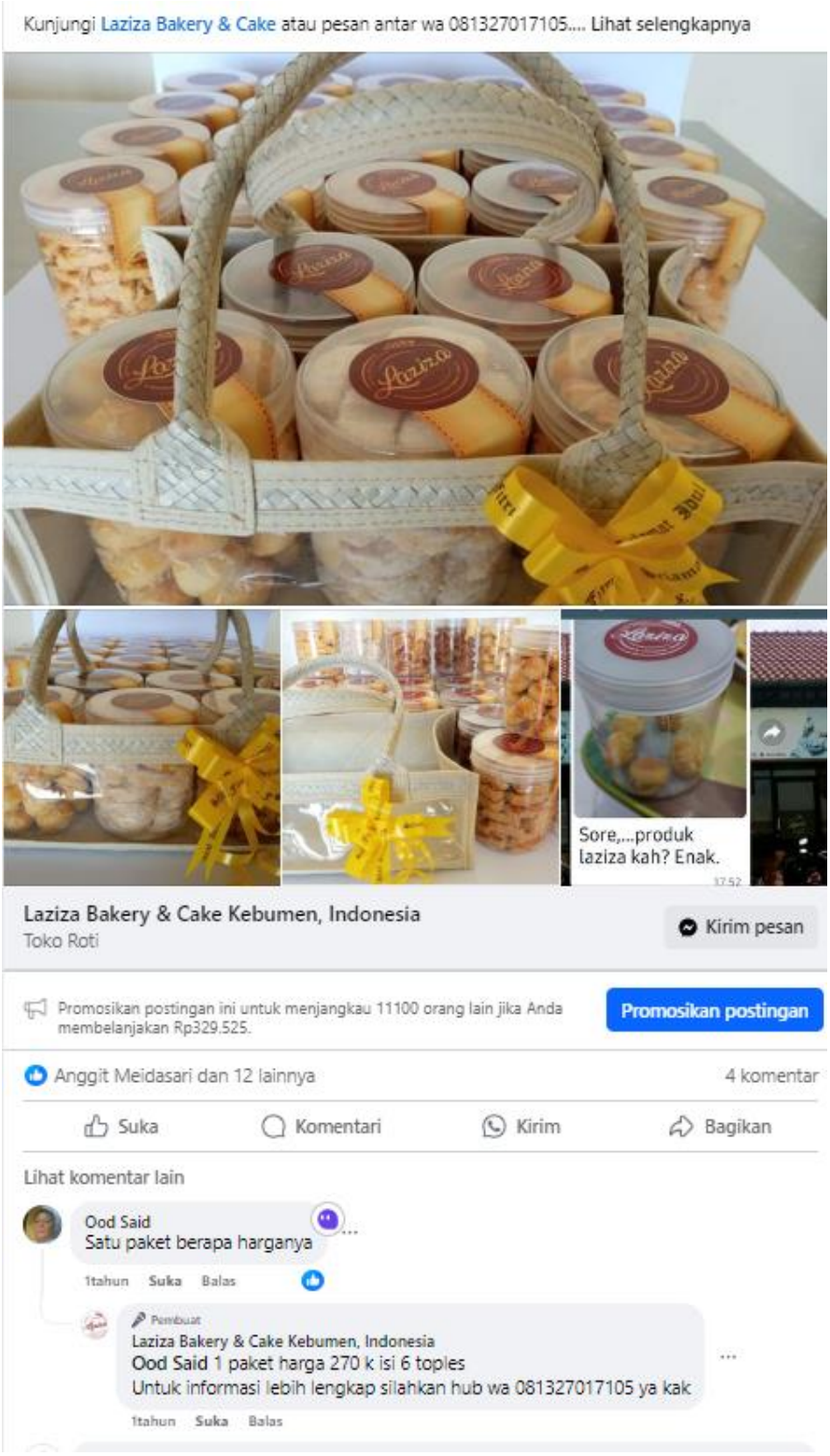



Figure 3.18 Facebook Page Interaction

3. Influencer partnerships with local food bloggers and lifestyle influencers.




Figure 3.19 Product Review by Local Influencers

4. Community Engagement




Figure 3.20 Partnership with Educational Institution

5. Hosting baking classes and tasting events at the bakery.



Figure 3.21 Hosting Event Activities

6. Seasonal campaigns themed promotions around holidays and local festivals.




Figure 3.22 National Event Products

### 3.2.1.4. *Distribution Strategy*

Laziza Bakery adopts a multichannel distribution strategy, combining retail distribution, direct distribution, and online distribution to maximize market reach and customer convenience. This approach allows the bakery to cater to diverse customer preferences and shopping habits while optimizing operational efficiency.

1. The cornerstone of Laziza Bakery's is its physical retail location. The retail space is designed to showcase the bakery's products.



Figure 3.23 Products on Business Partner




Figure 3.24 Products on Retailer

2. This approach allows to offering personalized service for bulk orders, custom cakes, *et cetera*.



Figure 3.25 Cashier

3. Online distribution uses Whatsapp for Business, Facebook, and Instagram to enable customers to browse products, place orders, and schedule deliveries or pickups.



Figure 3.26 Online Orders

### 3.2.1.5. *Logistics Management*

Logistics management is a centralized production facility that supplies all distribution channels.

### 3.2.1.6. *Delivery Management*

The bakery maintains a small fleet of delivery vehicles for local orders, ensuring timely and safe transportation of products. For wider geographic coverage, Laziza use third-party logistics providers, carefully packaged for their safety and handling of perishable goods.




Figure 3.27 Delivery Vehicle

#### 3.2.1.7. *Packaging Management*

Laziza Bakery pays close attention to packaging across all distribution channels. The packaging also serves as a branding tool, featuring the bakery's logo.




Figure 3.28 Packaging

### 3.2.2. Finance Aspects

#### 3.2.2.1. *Cost Efficiency*

Laziza Bakery prioritizes cost efficiency to maintain competitive pricing while ensuring business profitability. Partnering with local and notable suppliers will secure high-quality materials at favorable rates and reduce operational costs without compromising on product quality.

Budgeting

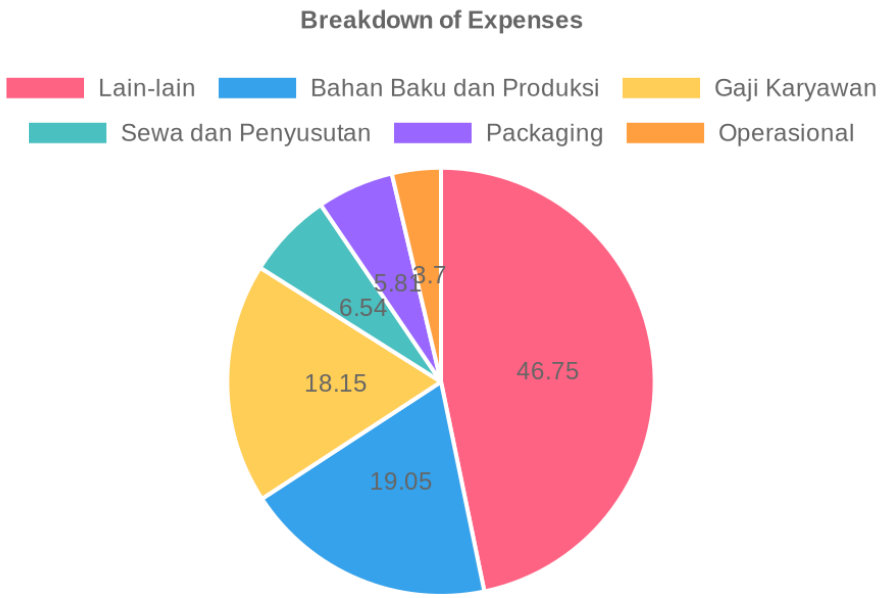



Figure 3.29 Expense Diagram

The distribution in Figure 3.30 shows that miscellaneous expenses constitute nearly half of the total costs, followed by production materials and labor costs as the next significant expenditures. The remaining quarter is split between facility costs, packaging, and operational expenses.

### 3.2.2.2. *Financial Analysis*

1. Monthly Financial Analysis

Table 3.1 Growth Trajectory from January to July

| Month | Revenue Index | Expenses Index | Profit Ratio | Margin Trend |
|---|---|---|---|---|
| Jan | 100.0 | 100.0 | 100.0 | Base (20.7%) |

| Month | Revenue Index | Expenses Index | Profit Ratio | Margin Trend |
|---|---|---|---|---|
| Feb | 102.7 | 100.8 | 109.9 | +1.46 |
| Mar | 112.7 | 113.9 | 108.3 | -0.81 |
| Apr | 167.7 | 155.7 | 213.6 | +5.66 |
| May | 136.0 | 132.1 | 151.1 | +2.30 |
| Jun | 198.8 | 185.9 | 248.4 | +5.16 |
| Jul | 139.5 | 128.4 | 182.3 | +6.34 |

The financial performance in Table 3.1 shows a consistent upward trajectory over the seven-month period. Revenue peaked in June at 198.8 index points, while expenses generally maintained proportional growth with revenue. Profit ratios demonstrated strong performance, reaching their highest at 248.4 in June. The margin trend remained positive, with July showing the strongest margin improvement at +6.34. Notably, April marked a significant jump in all metrics, with revenue reaching 167.7 and profit ratio at 213.6.

2. Monthly Trend Analysis

Table 3.2 Monthly Performance Metrics

| **Metric** | **Trend** |
|---|---|
| Revenue | Increasing, peak in June |
| Expenses | Increasing in line with revenue |
| Profit | Increasing, highest in June |

| Metric | Trend |
|---|---|
| Profit Margin | Relatively stable, ranging 20-27% |

The monthly performance metrics in Table 3.2 demonstrate consistent positive trends. Revenue and expenses show parallel growth patterns, with both reaching their peak in June. Profit follows a similar upward trajectory, achieving its highest point in June as well. The profit margin maintains stability throughout the period, fluctuating within a healthy range of 20-27%, indicating effective cost management despite business expansion.

3. Expense Category Comparison

Table 3.3 Expense Distribution Breakdown

| Category | Percentage of Total Expenses |
|---|---|
| Raw Materials | 19.05% |
| Employee Salaries | 18.15% |
| Operational | 3.70% |
| Packaging | 5.81% |

| Category | Percentage of Total Expenses |
|---|---|
| Rent & Depreciation | 6.54% |
| Others | 46.75% |

Based on Table 3.3, Laziza Bakery demonstrated consistent market performance throughout the initial seven-month period of 2024. Revenue growth maintained a positive trajectory, with the second quarter showing a significant improvement over the first quarter performance index. Profitability metrics remained stable, averaging 24.03% margin across the period, with June emerging as the peak performance month, achieving 198.8 on the revenue index (base: January 2024 = 100).

The expense revealed areas for improvement. Raw materials (19.05%) and employee salaries (18.15%) are the largest identified cost components. The "Others" category, comprising 46.75% of total expenses, requires further investigation for better cost management.

There are several opportunities for enhancement, including optimizing operational costs, evaluating the packaging strategy, and analyzing monthly fluctuations to understand peak performance drivers.

### 3.2.2.3. *Financial Projection*

Laziza Bakery's financial projections for 2024-2025 demonstrate a positive growth trajectory. Performance analysis utilizes an index-based approach (Base: January 2024 = 100).

Table 3.4 Annual Revenue and Profitability Forecast

| **Month** | **Revenue Index** | **Profit Margin** |
|---|---|---|
| Jan | 100.0 | 26.04% |
| Feb | 102.7 | 28.41% |
| Mar | 112.7 | 24.76% |
| Apr | 167.7 | 35.72% |
| May | 136.0 | 29.80% |
| Jun | 198.8 | 34.80% |
| Jul | 139.5 | 36.97% |

| Month | Revenue Index | Profit Margin |
|---|---|---|
| Aug | 144.6 | 32.00% |
| Sep | 141.6 | 32.00% |
| Oct | 149.2 | 32.00% |
| Nov | 140.1 | 32.00% |
| Dec | 159.9 | 32.00% |

Key observations from Table 3.4 are the followings:

1. Significant seasonal variations were observed, with peak performance indices in April (167.7) and June (198.8)
2. Profit margin demonstrates healthy fluctuation between 24.76% and 36.97% in actual data
3. Stabilized projection using 32.00% margin for future months
4. Conservative growth projection for 2025 with slight margin adjustment.

### 3.2.3. Operational Aspects

#### 3.2.3.1. *Raw Material*

Laziza Bakery uses high-quality ingredients to maintain its product excellence. The raw materials are from local and bigger network suppliers. By partnering with local vendors, Laziza Bakery reduces transportation costs and ensures the freshness of its ingredients. The bakery implements a quality control process for all raw materials to maintain consistency in its product offerings.




Figure 3.30 Material from Various Distributor

#### 3.2.3.2. *Product Development*

Laziza Bakery's strategy to product development follow current trends in the industry. According to EXBERRY this strategy called the "Newstalgia" trend are identified in the 2024 bakery insights (EXBERRY, n.d.), a leading provider of natural food coloring

solutions, involves reimagining classic flavors, appealing to consumers for familiarity and innovation. This trend offers Laziza Bakery the opportunity to enhance its product lines.

1. Introducing traditional products with modern twists.




Figure 3.31 Bakpia

2. Developing visually striking products, catering to the "Instagram-worthy" food trend.




Figure 3.32 Tart

### 3.2.3.3. *Store Layout*

Laziza Bakery's layout is optimized for smooth workflow and customer experience. The production area is designed to support a logical flow from ingredient storage to mixing, baking, cooling, and packaging. Designed to help the employee and the business itself in performance can work effectively. There are three main rooms for each main purpose: room for production, packaging, and customer facing. All the tools and equipment are placed sequentially to ensure efficient operation. This efficient layout minimizes unnecessary movement and reduces the risk of cross-contamination. The retail area is arranged to showcase the bakery's diverse product range effectively, with clear visibility of fresh-baked goods to entice customers. There is also a designated space for order pickup and customer service to manage both walk-in and pre-ordered sales efficiently.

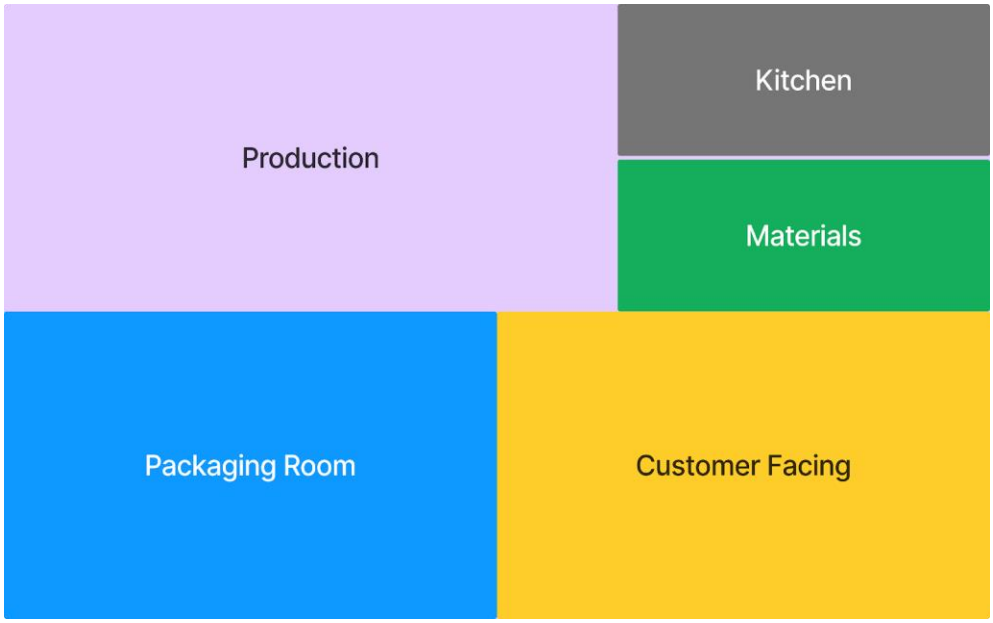



Figure 3.33 Store Layout

#### 3.2.3.4. *Product Detail*

Laziza Bakery offers a wide range of bakery products catering to diverse tastes and occasions. The product line includes:

1. Roti Manis with various flavored soft buns



Figure 3.34 Bread variant



Figure 3.35 Abon Variant

2. Roti Tawar




Figure 3.36 Process Making of Plain Bread




Figure 3.37 Product

3. Bolen or flaky pastry with banana fillings.




Figure 3.38 Bolen's Product

4. Bolu (Cake)



Figure 3.39 Cake's Product

5. Bakpia or traditional Indonesian cake.




Figure 3.40 Bakpia's Product

6. Various cookies products




Figure 3.41 Cookie's Product

#### 3.2.3.5. *Baking and Cooking.*

Laziza is equipped with essential tools including big, medium, and small mixers for dough preparation. With the ability to process a minimum of 15 kg of wheat per day.

Primary Equipment Categories:

- Industrial-grade mixing systems (Multiple capacity levels)
- Professional baking equipment
- Temperature-controlled storage facilities
- Quality control and measurement tools

Operational Capacity:

- Medium enterprise Production Scale
- Daily output sufficient for regional market coverage
- Storage capacity aligned with daily production requirements

#### 3.2.3.6. *Packaging and Labeling.*

After baking, products are carefully packaged to maintain freshness and appeal. The packaging is a part of the Laziza Bakery branding to enhance recognition. Labels on the packaging would include essential information such as production date, and best-before date, complying with local food labeling regulations.




Figure 3.42 Label on Packaging

### 3.2.4. Human Resource Aspects

#### 3.2.4.1. *Organizational Structure:*

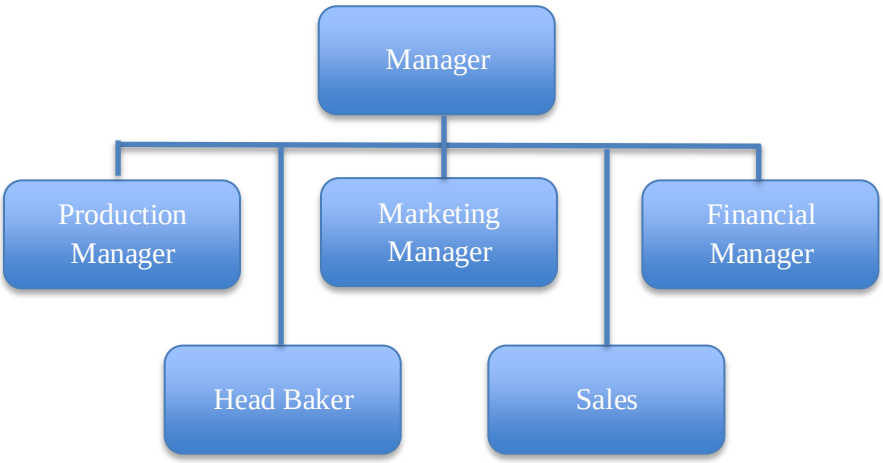



Figure 3.43 Organizational Structure

1. Manager
    a. Oversees all operations and strategic decisions
    b. Sets overall vision and short and long-term goals for the bakery
    c. Manages and maintains relationships with key stakeholders and partners
2. Production Manager
    a. Is responsible for bakery operations and quality control
    b. Oversees recipe development and production
    c. Manages inventory and supply chain management
    d. Ensures compliance with food safety and halal regulation
3. Marketing Manager
    a. Handles customer relations and promotional activities
    b. Develops and implement marketing strategies
    c. Manages social media presence and digital marketing initiatives

d. Oversees customer feedback and loyalty programs

4. Finance and Administration Manager
    a. Manages financial operations and administrative tasks
    b. Oversees budgeting, and cashflow management
5. Head Baker
    a. Supervises production lines and baking process
    b. Trains and mentors junior bakers
    c. Ensures product quality and consistency
    d. Collaborates with Production Manager
6. Sales
    a. Distributes products to business key partners and market
    b. Maintains direct relationship with wholesale clients
    c. Coordinates deliveries
    d. Traces sales data

#### 3.2.4.2. *Recruitment Process*

1. Job Analysis and Description:
    a. Regularly review and update job descriptions to ensure reflect the roles and required skills.
2. Application Screening:
    a. Standardized screening to efficiently filter applications based on key qualifications, alignment with Laziza Bakery value, and experience.
3. Interview Process:
    a. Practical skills assessment

b. Interview

4. Reference and Background Checks.
5. Job Offer and Onboarding:
    a. Competitive offers
    b. Implement a structured onboarding program to integrate new hires effectively

#### 3.2.4.3. *Employee Training and Development*

Laziza Bakery implements a training and development program to ensure continuous learning and skill enhancement among staff. This initiative aims to maintain high product quality and foster innovation.

1. Onboarding for new hires, focusing on the bakery environment, core values, and operational standards.
2. Regular skill-enhancement sessions for existing employees, covering:
    a. Advanced baking techniques
    b. Marketing strategies
    c. Customer service excellence
3. Partnerships with industry experts for specialized training sessions.

This approach keeps the team updated on the latest industry trends, supporting commitment to quality and innovation in the competitive bakery market.

#### 3.2.4.4. *Performance Management and Appraisal*

Laziza Bakery, has implemented a performance management system to uphold high standards and motivate our employees. It aims to provide monthly performance appraisals, evaluating employees on three key aspects:

a. Traits, assessing personal characteristics and attributes relevant to job performance.
b. Behaviors, evaluating actions and conduct in the workplace.
c. Results, measuring outcomes and achievement of set targets.

High-performing employees are recognized through monetary bonuses, additional responsibilities, and professional development opportunities.

#### 3.2.4.5. *Compensation and Benefits Strategy*

Laziza Bakery Management regularly conduct market research to ensure the salaries remain competitive within the local bakery and food service sector. Its compensation is beyond base local salaries, incorporates a performance-based bonus system that rewards employees for their exceptional contributions to our bakery's success.

Laziza Bakery Management also offers a range of non-monetary benefits, including health insurance and paid time off. Recognizing the unique demands of bakery work, which often involves early mornings and weekend shifts, it provides flexible scheduling options and compensatory time off.

# CHAPTER 4

# PROBLEM IDENTIFICATION AND PROBLEM SOLVING

In the dynamic landscape of bakery business management, the ability to identify and solve problems is crucial for success. This chapter delves into the process of recognizing challenges faced by Laziza Bakery, exploring relevant theoretical frameworks, and developing effective solutions.

## 4.1. Identification of Problems

Table 4.1 Problem Priority Analysis

| Function | Problem | Priority (Scale: 1-5) |
|---|---|---|
| Marketing | Limited marketing budget and brand awareness compared to larger chains. | 5 |
| Finance | Lack of robust financial planning. | 5 |
| HRM | Limited career growth opportunities and competition from larger establishments. | 4 |
| Operational | Insufficient investment in technology and data. | 4 |
| Marketing | Lack of expertise in digital marketing and e-commerce platforms. | 3 |
| Operational | Variability in production processes and potential staff training gaps. | 3 |

| | | |
|---|---|---|
| Finance | Lack of sophisticated forecasting management tools. | 2 |

## 4.2. Theoretical Review

### 4.2.1. Blue Ocean Strategy, Resource-Based View (RBV), and Human Capital Theory

Blue Ocean Strategy (Kim & Mauborgne, 2004) proposes creating new market spaces rather than competing in existing ones. Resource-Based View (Barney, 1991) argues that sustainable competitive advantage stems from utilizing valuable, rare, inimitable, and non-substitutable (VRIN) resources. Human Capital Theory (Becker, 1964) highlights that investment in human capital (education, training, and skills) result in improved economic outcomes for both individuals and organizations.

### 4.2.2. Lean Accounting and Strategic Cost Management

Lean Accounting, based on lean manufacturing principles, aims to provide accurate, timely, and clear information to drive lean transformation and support decision-making. This approach focuses on increasing customer value, growth, profitability, and cash flow. Strategic Cost Management (Shank & Govindarajan, 1993) involves using cost information across four stages of strategic management: strategy formulation, communication, implementation, and performance monitoring. These methodologies guide Laziza Bakery's financial management practices, enhancing operational efficiency and strategic alignment throughout the organization.

### 4.2.3. Data-Driven Decision Making (DDDM)

Data-Driven Decision Making is an approach that is based on data analysis and interpretation rather than intuition or observation alone. According to research by the MIT Center for Digital Business, organizations that adopted DDDM have shown 5-6% higher productivity and output than their competitors.

### 4.2.4. Total Quality Management (TQM) and Six Sigma

Total Quality Management (TQM), based on Deming's principles, is a comprehensive approach aimed at enhancing quality and performance to meet or surpass customer expectations. Six Sigma, originally developed by Motorola, is a data-driven methodology focused on minimizing defects and reducing process variability.

### 4.2.5. Omnichannel Marketing and Digital Transformation

Omnichannel Marketing (Verhoef et al., 2015) involves the coordinated management of multiple channels and customer touchpoints to optimize customer experience and overall performance. Digital Transformation (Westerman et al., 2014) refers to the strategic use of technology to significantly enhance enterprise performance and reach. These concepts represent modern approaches to marketing and business operations, emphasizing integrated customer experiences and the strategic application of digital technologies across various business processes.

### 4.2.6. Working Capital Management and the Cash Conversion Cycle

Working Capital Management is a financial strategy focused on maintaining adequate liquidity for daily operations while optimizing the use of available funds. The Cash Conversion Cycle (Richards & Laughlin, 1980) is a metric that quantifies the time required for a company to convert its investments in inventory and resources into cash flows from sales. These financial management concepts are crucial for assessing and improving a business's operational efficiency and liquidity position. By monitoring and optimizing working capital and the cash conversion cycle, companies can enhance their financial stability and operational flexibility in dynamic market environments.

### 4.2.7. Customer Relationship Management (CRM) Theory

CRM Theory (Payne & Frow, 2005) emphasizes the importance of building and maintaining profitable customer relationships through a strategic management of customer interactions and data.

### 4.2.8. Innovation Diffusion Theory

Innovation Diffusion Theory (Rogers, 2003) explains how, why, and at what rate new ideas and technology spread.

## 4.3. Problem Solving

The Writer will outline a structured problem-solving approach to Laziza Bakery. However, due to time limitations, the following solutions have not been fully implemented

yet. They are proposed strategies for problem-solving implementation to address the identified problems

### 4.3.1. Competition from Large Chain Bakeries

The followings are innovations to compete with Large Chain Bakeries:

#### 4.3.1.1. *Product and Service Innovation*

a. Apply the Blue Ocean Strategy to establish new market segments.
b. Offer time-limited seasonal items to sustain customer engagement.
c. Utilize Resource-Based View (RBV) to identify and exploit VRIN resources.
d. Emphasize expertise in traditional Indonesian baking techniques.
e. Leverage founder's extensive industry experience in marketing initiatives.

#### 4.3.1.2. *Community Engagement and Local Partnerships*

a. Enhance community engagement through strategic initiatives.
b. Implement customer education programs.
c. Develop cross-promotional collaborations with complementary local businesses.

#### 4.3.1.3. *Digital Transformation and Omnichannel Strategy*

a. Develop an integrated omnichannel marketing strategy.
b. Utilize social media platforms for content and customer engagement.
c. Implement Data-Driven Decision Making (DDDM) methodologies.
d. Deploy analytics tools to monitor customer preferences and purchasing behaviors.

e. Apply derived insights to guide product innovation and marketing initiatives.

### 4.3.2. Financial Management (Future Implementation)

#### 4.3.2.1. *Utilize Technology for Financial Management*

a. Implement cloud-based accounting software for real-time financial visibility.

b. Use of predictive analytics.

c. Implement an integrated digital point-of-sale system.

#### 4.3.2.2. *Improve Cash Flow Management*

a. Implement Working Capital Management principles

b. Negotiate advantageous supplier payment terms.

c. Streamline processes to reduce the time between ingredient procurement and sales revenue realization.

#### 4.3.2.3. *Develop Robust Financial Planning*

a. Create detailed financial projections and budgets.

b. Conduct regular financial health check-ups.

c. Establish key performance indicators (KPIs) for financial success.

### 4.3.3. Labor Shortage (Future Implementation)

#### 4.3.3.1. *Develop a Structured Career Progression Framework*

a. Establish a structured organizational hierarchy

b. Delineate distinct job levels within the bakery (e.g., Junior Baker, Baker, Senior Baker, Master Baker)

c. Define comprehensive skill sets and competencies for each hierarchical level

d. Develop transparent career progression framework

e. Articulate explicit criteria for promotional opportunities and career advancement

f. Implement systematic performance evaluation processes

g. Institute regular performance reviews and feedback mechanisms

#### 4.3.3.2. *Enhance Employee Training and Development*

a. Invest in comprehensive training programs for all staff.

b. Create a mentorship program pairing experienced bakers with newer staff.

#### 4.3.3.3. *Improve Recruitment and Retention Strategies:*

a. Develop partnerships with local culinary schools for internship programs.

b. Offer competitive compensation packages and benefits.

c. Create a positive work culture that values creativity and teamwork.

### 4.3.4. Data Management (Future Implementation)

#### 4.3.4.1. *Implement an Integrated Bakery Management System*

a. Invest in a cloud-based solution that covers.

- Inventory management.
- Order processing.
- Customer relationship management.
- Financial monitoring and reporting.

b. Ensure the system provides real-time data reporting.

c. Train all staff on the new system to ensure proper utilization.

#### 4.3.4.2. *Develop a Data Warehouse*

a. Create a centralized data repository to store and organize data from various sources.

b. Implement data cleaning and validation processes to ensure data quality.

c. Set up automated data integration from all business systems.

#### 4.3.4.3. *Leverage Data for Decision Making*

a. Implement data visualization tools for easy interpretation of key metrics.

b. Conduct regular data analysis sessions with management to inform strategic decisions

c. Use customer data to personalize marketing efforts and product recommendations

### 4.3.5. Online Presence and Digital Marketing (Partial Implementation)

#### 4.3.5.1. *Implement Content Marketing*

a. Start a blog on the website featuring recipes, baking tips, and local food news.

b. Create video contents for YouTube and other social media.

c. Develop downloadable content (e.g., e-books) for lead generation.

#### 4.3.5.2. *Leverage Influencer Partnerships*

a. Collaborate with local food bloggers and social media influencers.

b. Offer influencer-specific promotions or custom products.

c. Host influencer events or tastings at the bakery.

#### 4.3.5.3. *Explore Emerging Digital Platforms*

a. Consider presence on food delivery apps.

b. Explore opportunities on platforms for short-form video content.

c. Investigate augmented reality (AR) for future virtual product showcases.

### 4.3.6. Product Quality Consistency (Partial Implementation)

#### 4.3.6.1. *Standardize Recipes and Procedures*

a. Document all recipes in detail, including preparation steps.

b. Create visual guides (e.g., photos, videos) for each product to demonstrate proper appearance and texture.

#### 4.3.6.2. *Implement Customer Feedback System:*

a. Develop a structured system for collecting and analyzing customer feedback.

b. Use feedback to identify recurring quality issues and inform improvement efforts.

c. Implement a closed-loop process to address and follow up on customer complaints.

### 4.3.7. Cash Flow Management (Future Implementation)

#### 4.3.7.1. *Implement Cash Flow Forecasting*

a. Utilize the integrated bakery management system to generate accurate cash flow projections.
b. Develop best-case, worst-case, and most likely scenarios for financial planning.
c. Regularly update forecasts based on actual performance and market conditions.

#### 4.3.7.2. *Optimize Working Capital*

a. Review and potentially renegotiate payment terms with suppliers.
b. Implement efficient inventory management practices to reduce carrying costs.
c. Consider offering discounts for early payments from wholesale clients.

#### 4.3.7.3. *Provide Financial Training for Key Staff*

a. Train relevant staff on cash flow management principles and the new software tools.
b. Ensure the finance team understands how to interpret cash flow reports and forecasts.

#### 4.3.7.4. *Implement Regular Cash Flow Review Meetings:*

a. Conduct weekly or bi-weekly cash flow review meetings with key stakeholders.

b. Use these meetings to discuss projections, identify potential issues, and make informed decisions.

# CHAPTER 5

# CONCLUSIONS AND RECOMMENDATIONS

## 5.1. Conclusions

Based on the discussions in previous chapters, the following conclusions can be drawn:

1. Laziza Bakery has established a distinctive market position by offering high-quality, affordable products that blend traditional values with modern quality standards. This strategic approach has enabled differentiation in a market dominated by larger chain competitors.

2. The implementation of a multi-channel strategy, integrating physical retail with digital platforms, has expanded Laziza's market reach and enhanced customer accessibility.

3. Laziza diverse product portfolio, encompassing bread, cakes, pastries, and cookies, demonstrates adaptability to market trends and commitment to meeting varied customer preferences.

4. The bakery's emphasis on superior customer service, personalized experiences, and community engagement has fostered strong brand loyalty and recognition.

5. Priority in cost management and operational efficiency has enabled Laziza to maintain competitive pricing while ensuring profitability.

6. Laziza commitment to sustainable practices and local sourcing aligns with growing consumer preferences for environmentally responsible businesses.

7. Laziza Bakery has observed notable improvements in key performance indicators. Our digital marketing efforts have resulted in increased online engagement. Sales figures indicate positive growth trends, with new product lines contributing significantly to overall revenue.

8. The implementation of standardized procedures has notably reduced product inconsistency. The new digital accounting system has improved our working capital efficiency.

## 5.2. Recommendations

This report recommends any business entrants in the bakery business should start by creating a unique identity with modern standards. This will help stand out in a competitive market. The business should embrace both physical and online channels to expand reach and improve customer accessibility. The new comers in this business should offer a diverse range of products to cater to different needs in the targeted market and stay adaptable to trends. It should focus on providing exceptional customer service and engaging with your local community to build strong relationships and brand loyalty.

The newcomers in the bakery business should invest in digital marketing to boost their online presence and drive growth. Utilizing social media platforms to showcase the products, sharing stories, and connecting with customers are the ways to engage with customers. The business also needs to implement standardized procedures to ensure consistent product quality, and use digital systems for accounting, inventory management, and customer relationship management to improve operational efficiency

Success in the bakery business comes from a mix of passion, smart business practices, and a deep understanding of your customer needs. Regularly review performance indicators to adapt the strategies.

## BIBLIOGRAPHY


Australian Export Grains Innovation Centre. (2021). The growing consumption of bread and baked goods in Indonesia. *AEGIC*.

Cekindo. (n.d.). Investing in Indonesia's 2024 Food and Beverage Industry. Retrieved October 9, 2024, from https://www.cekindo.com/blog/food-and-beverage-industry#0-how-big-is-the-fb-industry-in-indonesia

Délifrance. (2024, March 28). Top 7 rising bakery trends to follow in 2024. https://www.delifrance.com/en/bakery-trend-spotter/trends/top-7-rising-bakery-trends-to-follow-in-2024

DPO International. (2023). *Southeast Asia & China market trends 2023: Bakery*. DPO International. https://dpointernational.com/market-trends/bakery/southeast-asia-china-market-trends-2023-bakery/

EXBERRY. (n.d.). Pistachio, mood food, and hybrids: Explore the 2024 trends in bakery. https://exberry.com/en/color-insights/bakery-trends-2024/

Glanbia Nutritionals. (2024). Bakery Trends for 2024. https://www.glanbianutritionals.com/en/nutri-knowledge-center/insights/trends-bakery

Innova Market Insights. (2024, April 8). Bakery Trends 2024: Global Market Overview. https://www.innovamarketinsights.com/trends/bakery-trends-2024/

International Flavors & Fragrances Inc. (2024). IFF in Motion: 2024 Key Bakery Trends [Video]. *YouTube*. https://www.youtube.com/watch?v=LjzvLTE4NN4&t=1s

Kementerian Perindustrian Republik Indonesia. (2017). *Industri Makanan dan Minuman Masih Jadi Andalan*. Jakarta: Ministry of Industry. https://kemenperin.go.id/artikel/18465/industri-makanan-dan-minuman-masih-jadi-andalan

Loria, K. (2024, February 7). Despite inflation, the bakery department continues to impress. *Supermarket News*. https://www.supermarketnews.com/bakery/grocery-bakery-just-continues-rise

Nielsen, N. (2024, June 19). Discover the Rising Bakery Trends in 2024. *Limepack*. https://www.limepack.eu/blog/bakery/discover-the-rising-bakery-trends-in-2024

PastryStar. (2024). IDDBA 2024: Bakery trends and industry insights. Retrieved October 11, 2024, from https://www.pastrystar.com/iddba-2024-bakery-trends-and-industry-insights/

Queensland Bakery Co. (2024). Keeping it sweet with our bakery trends for 2024. https://www.queenslandbakery.com/keeping-it-sweet-for-2024-with-our-top-trends/

Statista. (2024). Bread - Indonesia. https://www.statista.com/outlook/cmo/food/bread-cereal-products/bread/indonesia#revenue

World Bank. (2024, September 30). Food Security Update | World Bank Response to Rising Food Insecurity. https://www.worldbank.org/en/topic/agriculture/brief/food-security-update

Yusuf, A. A., & Sumner, A. (2023). The Evolution of Food Consumption Patterns in Indonesia. *Bulletin of Indonesian Economic Studies*, 59(2), 231-255.