THE IDENTIFICATION OF STRATEGIC ENTREPRENEURSHIP DIMENSIONS TO INDONESIAN FAMILY BUSINESS
(A Case Study of Kirana Kreasinusa Wedding Organizer Family Business)

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Abstract
Family business holds an important role in the economic growth of Indonesia. Family business not only pushes the economic growth, but also created an employment for million people in Indonesia. There are many factors and challenge that family business just stop in one generation or generation. And there are some strategies and competitive advantage that family business can be taken by identifying the strategic entrepreneurship dimensions.

Keyword: strategic entrepreneurship, family business, competitive advantage, wedding organizer business

1. Introduction

Kirana Kreasinusa has been running since 2003. This company engaged in the field of services which include bridal services, photography, and event wedding consulting service procurement.

In the beginning, this business initiated by Mrs. Sri Sulastika, started by joining cosmetology program in 1993, after that she started to collect the wedding dress for rent, and she got many positive responds from the society. At the first time, she is depending on vendor because of her equipment tools. As the time passed with the growth of her business, she started to do all the things individually and created name of Sanggar Rias Pengantin Kirana in 2003.

The high density of activities make the easiness and practicality become necessities in today’s life. It makes a wedding planner is the requirement for the couple that would like to have a wedding event and the other reason why a wedding planner is needed with a theme that has been owned by couple in terms of a particular kind of wedding, but do not know where to start, or to incorporate those ideas into their wedding.

Wedding planner is one of the growing business year by year since 2008, because of the budget cost is increasing, it is also increasing the revenue of wedding planner or wedding organizer year by year. Wedding budgets have been increasingly steadily since the economic downturn of 2008, and in 2013, couples spent a record high average of nearly $30,000 (Roney, 2014).

The population growth and the country economic condition have potentially affected market growth of wedding industry in Indonesia. Wedding industry in Jakarta has been growing for the past few years because of the increasing population growth and the strong economic growth in Indonesia (Salim, 2013).

Family business holds an important role in the economic growth of Indonesia. Family business not only pushes the economic growth, but also created an employment for million people in Indonesia (Chitania & Mustanu, 2014).

The problem that faced problems faced by family business in Indonesia internally there are a few, and the most up to be the focus of the company is a matter of recruitment (47%) followed by the re - organization of the company (20%). to external problems, the biggest problem to be faced is the policy/regulations (50%) and followed by the competition because of the presence of competitors to the company (43%) (PwC Indonesia, 2014).

Entrepreneurial Strategies creates how strategies and entrepreneurs come together to solve the challenges utilize the competitive advantage through innovation that exploring the business opportunities for value added and wealth creation.

The importance of Strategic Entrepreneurship in creating competitive advantage and opportunities, there has been relatively little attention devoted to Strategic Entrepreneurship of family business. Even less is known about how family businesses obtain resources and capabilities develop new potential business opportunities (Acquaah, 2011).
2. Literature Review

2.1 The Strategic Entrepreneurship

Entrepreneurship and strategic management be unified, both with the same objective which is creating value and wealth. Entrepreneurship is creating value and wealth by identify the marketplace opportunities, and strategic management contributes to create the value and wealth by seeking the competitive advantage that are the foundation of a firm compete in marketplace. The different is entrepreneurship creates value and wealth by involves the opportunities, but strategic management creates value and wealth by involes the competitive advantages. Thus, both strategic management and entrepreneurship "are concerned about growth, creating value for customers, and subsequently creating wealth for owners" (Hitt & Ireland, 2005, p. 228).

2.2 An Input-Process-Output Model of Strategic Entrepreneurship

There are three dimensions of Strategic Entrepreneurship model: factors/resources input, resource orchestration process, and outputs. The first dimensions shows the inputs from factors/resources of Strategic Entrepreneurship at different levels, including environmental factors, organizational resources, individual resources. Then, resource orchestrasion becomes a process from three different levels of input in the firm, the entrepreneurial actions that are used to protect and exploit current resources while simultaneously exploring for new resources with valuecreating potential. Finally, the third dimensions shows the outcomes, which vary across levels. Specifically, it focuses on the creation of value for society, organizations, and individuals. These benefits include societal enhancements, wealth, knowledge, and opportunity.

Figure 1. Input-Process-Output Model of Strategic Entrepreneurship

Hitt, 2011:60

2.3 Family Business

Family business is one of the interested object by the researchers, theorists, investors, policymakers, practitioners, and many others. Previous recent research presented that the family businesses are the top performers. Whether measured by the bottom line, value creation for shareholders, or their capacity to creates a job, and family companies outperform their nonfamily counterparts. The turbulence brought about by global hypercompetition, also has created an increasing awareness that speed, sustainability, flexibility, quality of product and service, brand, customer relationships, employee care, and patient capital are genuine sources of competitive advantages. These advantages are often pursued via distinctive business strategies deployed by firms that are family owned and family controlled. Family businesses, to be sure, confront sub-stantial challenges, but they also often possess unique advantages born out of a unique and dynamic family business interaction (Poza, 2010).
Figure 2 shows that family business is best understood and studied as complex and dynamic social system in which integration is achieved through reciprocal adjustments among subsystems, and vice versa. Understanding comes only when all three subsystems, with their interactions and interdependencies, are studied as one system.

Susanto (2005) stated that terminologically there are two types of family business, those are Family Owned Enterprise (FOE) and Family Business Enterprise (FBE). FOE is a firm that is owned by a family but managed by executives and professionals that are outside of family’s circle. In this case, the family act as the owner and doesn’t involve in the operational activities. This can optimize the roles of the family as the supervisor. Meanwhile, the FBE is a firm that is owned and managed by the family. The key and important positions is managed by family members. In Indonesia, most of the family businesses are FBE, where the leaders and managers are the family members.

2.4 Strategic Entrepreneurship Framework in the Context of Family Business

The emerging Strategic Entrepreneurship literature has recognized explicitly that there is a need to examine how entrepreneurial firms access the resources and capabilities they need in order to explore succession planning by exploit the entrepreneurial opportunities. Succession planning provides for the long-term sustainability of an organization. It also ensures that employees with an interest in—and the potential for—key positions are provided with appropriate development opportunities (Flynn, 2014). In this context, family firms, too face the challenge of accessing the resources and capabilities, which they require to develop new opportunities (Webb, Ketchen, & Ireland, 2010).

Family firms create value in much the same way as other firms, but both the inputs to the value-adding activities and the benefits that flow from value-creation processes may differ significantly in family firms. Further, we believe families also impact the process itself due to the ways they accumulate and leverage resources and because of the strong emphasis that many families place on building socioemotional wealth in addition to financial viability. Finally, the strategic entrepreneurship process is strongly influenced by contextual factors that tend to be unique to family firms. Figure 2.3 depicts the framework that is used to organize the analysis of strategic entrepreneurship in family business (Lumpkin et al, 2011)

<table>
<thead>
<tr>
<th>CONTEXT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Institutional environment/ Local conditions/family as an institution national culture and geography</td>
</tr>
<tr>
<td>Interaction between inputs and environmental factors</td>
</tr>
<tr>
<td>Ownership regimes/ Temporal considerations/multigenerational involvement</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>INPUTS</th>
<th>PROCESSES</th>
<th>OUTPUTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Individual resources</td>
<td>Orchestrating resources</td>
<td>Individual benefits</td>
</tr>
<tr>
<td>Family resources</td>
<td>Creating economic value</td>
<td>Family benefits</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Organizational</td>
</tr>
</tbody>
</table>
The figure 3 above is the framework established by Lumpkin (2011) provides 3 stages with different variable for each stages.

2.5 Research Framework

The business that became the object of this research is a family business. This research is a case study of Kirana Kreasinusa Family Business, so the context of this study is of Kirana Kreasinusa Family Business itself.

Family business theory will become the basic theory for this research, it is used to support the purpose of this research. It is chosen in order to find all the features and elements that should be considered to achieve the expected result.

Figure 4 shows the framework of the study in this research. The elements from the framework are developed by Lumpkin et al (2011). The selection of this model are based on several considerations. Lumpkin et al(2011) formulated a framework of a strategic entrepreneurship for family business. The purpose of Lumpkin et al (2011) is in line with this study purpose. Those elements are rooted from the strategic entrepreneurship for family business.

3. Methodology

3.1 Research Type

The method taken for this research is qualitative research. According to Sugiyono (2011:9) qualitative research is a research method based of positivism philosophy, which is used to research on natural object condition, where the researcher is the key instrument, data collection is done by triangulation, the data analysis are inductive/qualitative and the result of the qualitative research emphasize on meaning than generalization.
Qualitative research is research that addresses business objectives through techniques that allow the researcher to provide elaborate interpretation of market phenomena without depending on numerical measurements. Its focus on discovering true inner meanings and new insights (Zikmund, Babin, Carr, Griffin, 2010:133).

3.2 Operational Variable

Based on framework that already developed, here are operational variables for this research. The operational variables will be developed using interview as the instrument.

<table>
<thead>
<tr>
<th>Variable</th>
<th>Sub Variable</th>
<th>Concept Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strategic Entrepreneurship Input-Process-Output</td>
<td>Individual resources</td>
<td>The backgrounds of the individual that have grown up the business, or been the prior owner of the family business could enhance or detract to use their ability as the valuable resources.</td>
</tr>
<tr>
<td>Process</td>
<td>Family resources</td>
<td>The commitment from the family member as the worker in their family, and the involvement to create a value from their family as the resources.</td>
</tr>
<tr>
<td></td>
<td>Organizational resources</td>
<td>Family organizations can create the external networking and social relationship with bring their family value in external environment.</td>
</tr>
<tr>
<td></td>
<td>Orchestrating resources</td>
<td>Effectively manage resources to both exploring and exploit entrepreneurial opportunities to gain competitive advantages.</td>
</tr>
<tr>
<td></td>
<td>Creating economic value</td>
<td>The kinship in a family can bring a better management to create a better economic value by using the competitive advantage in the marketplace.</td>
</tr>
<tr>
<td></td>
<td>Creating socioemotional wealth</td>
<td>Family business also can create socioemotional wealth, not only gain financial wealth, family business also can gain family satisfaction, respect in community, and child and business development</td>
</tr>
<tr>
<td>Output</td>
<td>Individual benefits</td>
<td>The individual that works in family business can be from any generation in the family or even non family member.</td>
</tr>
<tr>
<td></td>
<td>Family benefits</td>
<td>The benefits that family acquire due to owning or operating a family enterprise.</td>
</tr>
<tr>
<td></td>
<td>Organizational benefits</td>
<td>Family business can create the certain benefits or advantages in their organizational.</td>
</tr>
<tr>
<td></td>
<td>Societal benefits</td>
<td>Family business can influence the economic development and social wealth in society.</td>
</tr>
</tbody>
</table>

Table 1. Operational Variable
Based on the operational variables on Table 1 above, the author develops the draft of the interview questions to be asked to the respondents. The questions can be seen on Table 2 below:

<table>
<thead>
<tr>
<th>No.</th>
<th>Operational Variable</th>
<th>Questions</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Individual resources</td>
<td>What makes the difference between family member employee and non-family member employee? It has a big influence in this business? And what are the advantages and disadvantages?</td>
</tr>
<tr>
<td>2</td>
<td>Family resources</td>
<td>How do the family aspect such as commitment from the family member and the involvement can create a value in the business? And are there any other aspects of family that contribute?</td>
</tr>
<tr>
<td>3</td>
<td>Organizational resources</td>
<td>How does the family member can create the external networking and social relationships in the organization by bring the trust and value from the family?</td>
</tr>
<tr>
<td>4</td>
<td>Orchestrating resources</td>
<td>How do you acquire, organize, and deploy resources for optimal advantage for the business effectively?</td>
</tr>
<tr>
<td>5</td>
<td>Creating economic value</td>
<td>As a family firm, is the kinship in family can bring a better management in the business so that can create a better economic value? What is the different economic value that is created in this business with the other businesses?</td>
</tr>
<tr>
<td>6</td>
<td>Creating socioemotional wealth</td>
<td>In your family business, is there any wealth that gained besides the financial wealth like family satisfaction, respect in community, and many others that we can say socioemotional wealth? How does it gained?</td>
</tr>
<tr>
<td>7</td>
<td>Individual benefits</td>
<td>How do you identify individual benefits achieved from working in your family business?</td>
</tr>
<tr>
<td>8</td>
<td>Family benefits</td>
<td>How do you identify the benefits (both economic and socioemotional benefits) that your family gain from running a family business?</td>
</tr>
<tr>
<td>9</td>
<td>Organizational benefits</td>
<td>As a family business, how do you identify the benefits that your business achieved?</td>
</tr>
<tr>
<td>10</td>
<td>Societal benefits</td>
<td>How do you identify the influence or benefits that your family business given to the environment or society?</td>
</tr>
</tbody>
</table>

Table 2 Draft of Interview Question

3.3 Research Stages

The first stage of this research started with analyzes the issue. After that, the issue can be formulated to obtain the goals of research. After the analyzing, it continued to the purpose research goals. By knowing what is the goals of this research, the author went to find information about the theory, references, literature review and other supporting data. The author also observes the object of research in this stage to identify what matters is the focus of this study then identifying the variables. Next, it will goes through the variable identification, data collection and data analysis. At the end of this research, it will come up with the conclusion and suggestion upon this research.
3.4 Population and Sampling

According to Sugiyono (2011:215) in qualitative research, the population is called social situation which is a situation that consist of 3 elements: place, actors and activity that interact synergistically. It is called social situation because qualitative research departs from specific cases that occurs on certain social situation. The sample of this research is respondent, which is obtained by purposive sampling; all of the family member as employee in Kirana Kreasinusa.

The sampling tool that is taken in this research is nonprobability sampling with the technique of purposive sampling. According to Sugiyono (2011:218) purposive sampling is a technique of taking sample with certain considerations. These certain considerations are, for example the individuals that are considered as the individuals who know most about the information that we wanted to get.

According to Sekaran & Bougie (2010:276) the sampling in purposive sampling is confined to specific types of people who can provide the desired information, either because they are the only ones who have it, or conform to some criteria set by the researcher.

3.5 Data Collection

3.5.1 Primary Data

According to Sugiyono (2011:225) there are some techniques in the data collection in qualitative research, which are observation, documentation, interview, and triangulation. But for the needs and purpose of this research, here are the techniques that used in this research:

Observation

In this research, the author uses the passive participation observation. According to Sugiyono (2011: 227), passive participation observation means the researcher is present at the scene of action but does not interact or participate. In addition, this research is a straightforward observation, meaning that the researcher is honestly admit and let the object knows that he/she is doing a research. So the object knows from the beginning until the end of the researcher activities (Sugiyono, 2011: 228).
Documentation

In most of tradition of qualitative research, the phrase personal document is used broadly to refer to any first person narrative produced by an individual which describe his or her own actions, experience, and beliefs. Besides, the research will be more credible if it is supported with photos. Photographs provide strikingly descriptive data, are often used to understand the subjective and is product are frequently analyzed inductive (Sugiyono, 2011:240)

In doing the data collection, for the sake of recording the data in the field, the author used a form to present the data gained. The format can be seen as below:

Interview Data Recording Format
Respondent :
Interviewer :
Date :
Location :
Time :
Duration :

<table>
<thead>
<tr>
<th>Code</th>
<th>Content of Interview</th>
</tr>
</thead>
</table>

Figure 5. Interviewing Data Format
Nugroho (2012)

Interview and Techniques of Interview

Interview is used for collecting the data to obtain information on the issues of interest, especially during the exploratory stages of research. Interview may be unstructured or structured, and conducted face-to-face, by telephone, or online (Sekaran & Bougie, 2010:186).

According to Susan Stainback in Sugiyono (2011:232) interviewing people provide the researcher a means to gain a deeper understanding of how the participant interpret a situation or phenomenon that can’t be gained through observation alone.

According to Esterberg in Sugiyono (2011:233) there are some types of interview, they are structured interview, semi-structured interview and unstructured interview. In this research, the semi-structured interview is chosen. This type of interview is categorized as in-depth interview, where it’s more free compared to structured interview. The purpose of this interview is to bring up the problems openly, where the informant that is being interviewed is asked for his or her opinion and ideas. By doing this interview, researcher must listen carefully and take notes of what the informant expresses.

The interview will be done in Bahasa Indonesia. Therefore it is going to be written in Bahasa Indonesia. The list of the respondents is listed on Table 3 beside:

<table>
<thead>
<tr>
<th>Respondent Code</th>
<th>Respondent</th>
<th>Reason of Participation</th>
</tr>
</thead>
</table>
| R1              | The owner of Kirana Kreasinusa | The first who established Kirana Kreasinusa  
|                 |            | The one who has deepest knowledge about the business.  
|                 |            | Has knowledge about the market situation, condition, tendency of consumers’ behavior towards their business, and well known at the market society of their business |
| R2              | General Manager of Kirana Kreasinusa | The one who has a deep knowledge of the business.  
|                 |            | The person who help and assist to manage the business.  
|                 |            | The one who the most influential to run the business |
| R3              | Financial Manager of Kirana Kreasinusa | The person who help and assist to run the business.  
|                 |            | The one who manage and know the wealthy of finance in the business |
3.5.2 Secondary Data

According to Zikmund et al (2010:161) secondary data are data gathered and recorded by someone else prior to (and for purposes other than) the current project. Secondary data usually are historical and already assembled.

To support this research, author need to find the secondary data that has a closest relation with the research, particularly about sales of organic food, the awareness of organic food especially in Indonesia. Data that would be gathered is the kind of external data that generated and recorded by an entity other than the researcher’s organization, government, newspapers, journals, trade associations and other organization create or produce information. Traditionally, this information has been published form, perhaps available from a public library, trade association or government agency (Zikmund et al., 2010:172). In this case the data would be in form of articles (both from magazines or retrieved from trusted site on the internet) and journal (printed or online).

4. Discussion

This section discusses the result of research that is already stated on the previous section above. The result of research that is going to be discussed relates to the problem-statement, which become the author’s guidance in order to conduct this research. The result will be the analysis from four objects of study, all from the respondents that influenced in Kirana Kreasiusa Wedding Organizer that the author asked.

4.1 The Resources Required to Develop the Potential Business Opportunities of Kirana Kreasiusa Wedding Organizer

The family members bring valuable social capital to the business in the form of networking and other external relationships that complement the insiders' skill sets. From a resource-based view of the firm, social capital is a particular source of strategic advantage when it is valuable, rare, costly to imitate, and without substitutes. Family firms represent unique repositories of personal and organizational social capital that are hard to duplicate in nonfamily firms (Lumpkin et al, 2011). Trust is one of a critical dimension of social capital (Wang, Poutziouris, & Graves, 2014). All respondents come to an agreement that even though they trust the family member more because of the safety factor, they also try to trust the other non-family member. They want to create an environment where people can trust each other but still there is a limit to the extent of the trust itself.

4.2 The findings for the possible competitive advantage that can support Kirana Kreasiusa for the innovation.

In creating the socioemotional wealth, even though family businesses consistently prioritize financial concerns, Hitt et al (2011) reported that nonfinancial objectives are also highly important. In support, all respondents stated that they actually have non-financial motives. They stated that the family independence is important because he wants what the best for his next generations. Respondent #2 added that the family members happily do the business because they can realize the dream of the couple that want to have wedding. Respondent #1 and #3 said that they help the people with every budget that they have, maybe they will not get profit from that, just income, but they are happy to help people. That proved this business not only creating an economic value, but also the socioemotional wealth.

All respondents came in to an agreement where these socioemotional goals complement with the processes to attain the business’ financial goals. Thus, their socioemotional goals provide a richer context in which to move toward financial goals because they have these concerns for the family firm as well as for the business.

4.3 The market development identified from Kirana Kreasiusa to transformed or innovated their business effectively.

As one of the mission of Kirana Kreasiusa is to keep sharing the knowledge and helping people, all respondents stated that this business is helping people to make their dream about wedding came true.
Respondent #1 stated that we recruited people that has been dropped out from their school and train them with the knowledge that we have, and recruit them as employee, and we also help the low-middle class to make their wedding event. Respondent #2 stated that we are happy to realize the dream of the people about the wedding. Respondent #3 stated that we still help the people that only have minimum budget to have a wedding event. Respondent #4 stated we can help our friend or the people that already have good relation to have a job because of our business. And for the all respondent also stated that they want this business never stop, there must be a successor continuously, and they want the business expanded, covered all Indonesia area, even go international, and they want to always have a new innovation, new development to their business.

5. Conclusion

Based on the result of research that came out throughout the process of interview and secondary data gatherings, here are the conclusions of this research. The conclusions in this chapter are expected to give an answer to the problem statement and research questions, which stated on the first chapter of this research, by comparing the two objects of study and other respondent as complementary, here are the conclusions from this study:

5.1 The Resources Required to Develop the Potential Business Opportunities of Kirana Kreasinusa

Wedding Organizer

The respondents’ statements are concluded as written below:

a. There is a potential to provide a unique form of human capital in the form of firm-specific tacit knowledge gained from extensive exposure to the family business.

b. There is the overall closeness, conviviality and ‘feeling of family’ of the work environment for distant-related family member or even non-family members which brings an outside perspective that is potentially valuable.

c. It is family itself who offers unique bundle of resources such as trust, loyalty, commitment, and involvement.

d. The family members bring valuable social capital to the business in the form of internal networking and other external relationships that complement the insiders' skill sets.

5.2 The findings for the possible competitive advantage that can support Kirana Kreasinusa for the innovation.

The respondents’ statements are concluded as written below:

a. The way to exploit resources are optimal. They try to take any possible advantages of all of the resources, which are then bundled and managed in specific ways to serve with a high value.

b. The leader is able to realize the full potential of firm’s resources which addressing a competitive advantage to the business.

c. The family has some socioemotional motives in business that enable them to leverage resources more efficiently because of their long-term orientation in investment. Family members also contribute personal resources such as ‘free labor and additional investments’. The combination of these unique resources makes family firms much more durable organizations than nonfamily firms.

5.3 The market development identified from Kirana Kreasinusa to transformed or innovated their business effectively.

The respondents’ statements are concluded as written below:

a. Family business can provide an opportunity for unique work or professional experiences that may not be available to others.

b. Working for a family business can be emotionally, cognitively, and financially satisfying, which may enhance the quality of its human resource.

c. Family business has value qualities such as family’s reputation, trust, loyalty, and interdependence that can benefit the family firms over its non-family-firm competitors.

d. Family firms enjoy certain resources and advantages which are rare and hard to imitate, such as reduced agency costs and using family’s identity as a marketing tool.
e. The business has a willing from the owner and all family member that the business will never stop, the business will met the next successor and found new innovation, and new development for the business itself.

References


