CHAPTER 1

INTRODUCTION

1.1 Background

Small Medium Enterprise (SME), a term refers to companies that have net capital mostly less than Rp.200.000.000 (two hundred million rupiah) not including the property (land/building/vehicle) [1]. In fact, Indonesian Government already given serious attention to the growing number of SME which is currently close to 40 million (Indonesia only) [2] and due to their ability to reduce unemployment and to eradicate poverty.

However, most SMEs currently have to face some common problems such as lack of skill and facilities to organize budget, and also getting support for decision making. This is synchronized to the fact that most of SMEs still use lots of manual and paper work method with less/no data collecting activity.

Prima Glass is an example of SME. This company established on middle 2005. Undeniably, with recent rapid growing number of SMEs, Prima Glass should compete with other companies that have similar business. Because of this fact, Prima Glass is stirred to produce innovations to improve its business. Therefore, Prima Glass requires IT technology to make an improvement and supporting system for their business process.

Prima Glass is selected as the object of this thesis project. It is a small medium enterprise whose main business area is an automotive glass seller and glass fitting

services. Based on problems in Prima Glass business process, authors want to formulate best solution to its given condition. Moreover, the finding solution is intended as alternative solution for some other small-medium enterprises having similar business problem and condition.

In their daily business activities, Prima Glass currently does not have any integrated system for their data processing and communication. Data resulted from daily business transaction are transferred from paper form into computer readable format using several office automation tools such as Microsoft Excel and Microsoft Word operated by data entry operators. Those data included customer data and financial transaction data.

Main problems in data processing are less accurate data as result of human error, and the lengthy time needed for information searching. This condition not only can deteriorate performance of Prima Glass but also will make high operation cost as well as slow process of decision making. These conditions affect Prima Glass management efforts to bring Prima Glass to be the best among other company become useless.

In this thesis, author try to model problems researched at Prima Glass with aim to develop a solution model that could help them achieve their goal.

1.2 Scope

Main scope of this thesis project is to analyze Prima Glass marketing strategy problems and to define its solution. It will cover management that directly interacts with customers. The business operation in particular is Customer Relationship Management (CRM).

Moreover, author will identify problems surrounding this management area and try to formulate solutions using several approaches that will be described later. Due to importance of customer relationship in SMEs business activity, author hopes that this thesis could provide significant contribution in Prima Glass future development.

1.3 Aims and Benefits

Main objective of System Customer Relationship Management are:

- *Maintain company's relationship with costumers*

  System will improve company's profitability by enhancing their interaction ways with loyal customers.

- *Improving Prima Glass service to satisfy customers*

  By applying this system, improvement in service area to satisfy customers are expected. This automatically will set Prima Glass name in customer's mind.

- *Collect numbers of loyal customer in Prima Glass database*

  This aims to collect large number of customers in database which is really important to maintain their business stability and differentiate types of customers.

- *Collect suppliers data to fasten stock amount recovery*

  By collecting and creating suppliers data in a database, author hopes to fasten Prima Glass stock amount recovery process.

- *Support the decision making by providing business operation report*

  The new system will add a new feature, resulted in a customer's profile report. It can ease system owner in decision making process regarding customers satisfactory.

1.4 Thesis Structure

- Chapter 1: Introduction.

  This chapter will give brief explanation on thesis topic introductory, scopes, and aims and benefits.

- Chapter 2: Theoretical Foundation.

  It will explain all concepts used in this thesis and standard methodology in developing author thesis project.

- Chapter 3: Problem Analysis

  This chapter analyzes current system problem which will be taken into consideration to design a solution, resulting in creating system customer relationship management.

- Chapter 4: Solution Design

  Following chapter focuses on describing solution design to Prima Glass customer relationship problem. This part will consist of business analysis research that described by UML diagram.

- Chapter 5: Implementation

  Subsequent chapter provides description of how solution is implemented and also discussions of results from customer relationship program observations done in Prima Glass.

- Chapter 6: Evaluation

  System implementation will be evaluated in this chapter which also includes discussion about achieved result by survey. Satisfied user feedback is expected in this chapter.

- Chapter 7: Conclusion and Recommendation

  Concludes thesis documentation and provides future work in customer management recommendation in field.