

# **Comparing the Business Process in Creative Industry at Bandung**

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## **Abstract**

The aim of this research are to compare and study the business process in creative industry sector in Bandung area. The creative industry which involve in this research such as fashion industry, culinary, exhibition, advertising, application and games developer, craft, product design, photography, television and radio. The methodology of research using the qualitative methods by in depth interview approach with the owners or branch managers or area managers. The result of this research showed that many creative industry in Bandung didn't have business process well-documented and the implementation of its business process different and unique, even in the same industry, it happen because of the managerial skill, structure, and culture in organization.

## **Keywords**

Business Process, Creative Industry, Qualitative Research

## **1. Introduction**

Creative industry have an importance role in Gross Domestic Product Domestic (GDP), according to the national bureau of statistics Indonesia in 2015, creative industry contributed 7.38% to the total GDP, which dominating by culinary, fashion, and craft sectors (BEKRAF, 2017).

According to the UNESCO, Bandung has been selected as one of creative city for design category, as a creative city, Bandung have several potential that support it such as large numbers of young citizen (BPS, 2017), numbers of creative industry which founded here (BEKRAF, 2017), and creative community that have important role to make Bandung as a creative city (Fitriyana, 2012).

Organization need to well-managed to achieve their objective and to make sure the organization is well-managed, managerial level need to conduct several rules and monitoring the process in the level of operational and middle of the organization. The way to monitor the activities in operational level by seeing the business process that happened in organization. Business process represent many activities of individual at the organization (Laudon, 2016), by seeing and manage the business process, managerial level can ensure that all process in operational level aligned with one another and together creating value to the customer, moreover, the process performance in operational level should be traceable back to the strategic goal and objective of organization (Burlton, 2015).

The aim of this research is to compare the business process in the various type of creative industry in Bandung, by compare their business process, we can get the information about the involvement of managerial in their organization, the organizational structure, and the uniqueness of creative industry in Bandung.

## 2. Framework

The approach that we use in this research is focusing the business process in managerial function which is analyze about the organizational structure and role of management in organization as represent in figure 1.

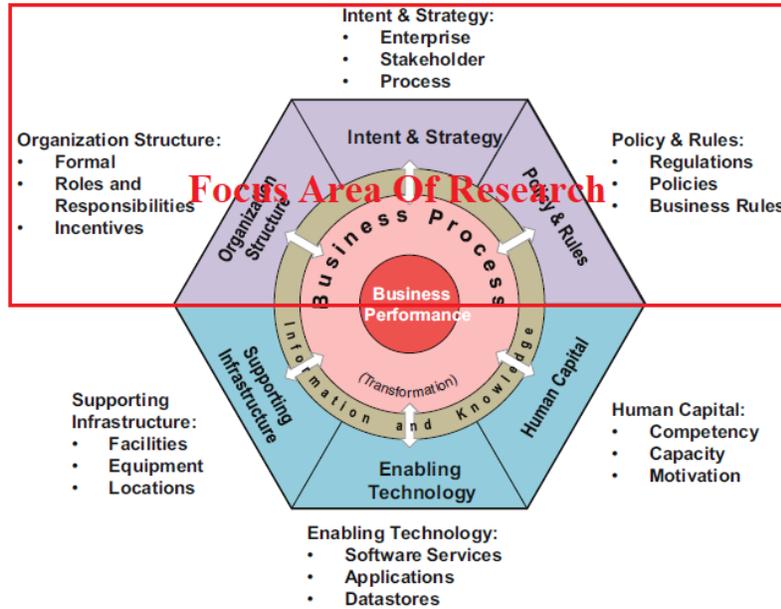


Figure 1. Framework of Research (Taken From Burlton, 2015)

By using these framework, we try to find out how the business process can effect to the organizational structure, intent & strategy of organization, and the policy and rules that implement in organization.

## 3. Methodology

This research conduct with qualitative research by using the semi-structured techniques, we conduct interview to the owners of organization to find out the added-value in their business process activities that happened in organization. After that we conduct the content analysis and summary analysis.

The criteria of organization that we propose for this research:

- Established at least 3 years;
- Have at least 4 employees;
- Monthly sales at least more than 5 million.

Those criteria not have to match 100%, if there 2 of 3 criteria match, the organization can be a sample.

## 4. Analysis

### 4.1. Sample of Creative Industry

Based on criteria of organization that we observe, here are the sample and their business categories:

Table 1. List of Research Sample

No	Type of Industry	Total
1.	Culinary	16
2.	Fashion	10
3.	Craft	6
4.	Advertising	2
5.	Application and Game Developing	2
6.	Product Design	1
7.	Photography	1
8.	Television and Radio	1
9.	Others	5
<b>Total</b>		<b>44</b>

## 4.2. Creative Industry

In recent years, the world economy is very unstable, but the development of real sector industries such as technology, arts and media has increased significantly. According to Terry Flew (2013) in his book *Global Creative Industries*, the DCMS (Department of Culture, Media, and Sports) UK estimated that these creative industries accounted for 5 per cent of the UK economy in 1997, and were one of the fastest-growing economic segments of contemporary Britain (DCMS, 1998). This proves that the creative industry is a promising industry and can be growing part of the world economy.

### 4.2.1. Definition and Sector of Creative Industry

There are so many debate in defining the definition of creative industries, since the creative industries is very dynamic and also always in a constant evolution. The broad definition of creative industries that is used in UNCTAD 2010 is *Creative industries are both knowledge intensive, and labor intensive, especially those with a high concentration of creative inputs, as occurs, for example, in theatre or film production. The contribution of the creative industries to employment is usually significant; typically, they account for around 2 to 8 per cent of the workforce in the economy*”.

As we already know, that creative industry has an important role in Gross Domestic Product (GDP) and this industry very rely on human creativity to make a profit. In creative industry, creativity is a fundamental for every aspect in business process. Without creativity or new ideas and innovation there are no such a creative industry. Based on previous definition, we know that in the creative industry, creativity is absolutely required especially its impact to the business process as a whole. Business processes in the creative industry will be very different from other industry. In the creative industry, business process relies heavily on the creativity and skills of the human resources. So, in creative industry there are so many dynamic process leading towards innovation in business idea, strategic plan, business process, marketing and etc., to gaining comparative advantages in 21<sup>st</sup> century economy.

There are several various sectors in creative industry. We can say that the creative industry sector is extremely diverse, ranging from traditional sector like arts, crafts, cultural festivities to more technology based such as audiovisual and new media. The UNCTAD classification of creative industries is divided into four broad groups: heritage, arts, media and functional creations (UNCTAD, 2010). These groups are in turn divided into nine subgroups, as presented in figure 2

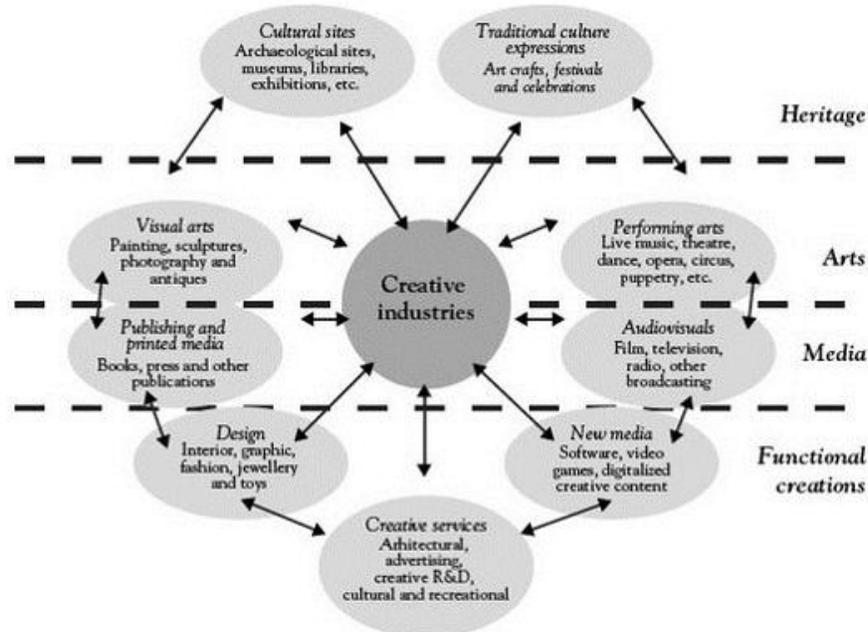


Figure 2. Creative economy report (UNCTAD, 2010)

#### 4.2.2. Creative Industry in Indonesia

Indonesia is one of the country in the world that has a strong economy. It is characterized by a high Gross Domestic Products (GDP). By the year of 2015, the GDP of Indonesia reach 4.79% while global economic growth is only 2.4% (BEKRAF, 2017). With the economy progress, the government of Indonesia started focusing on real establish sector, one of them is creative industry. Indonesian government believes that creative industry can be a strong foundation to be a better economy in the future. There are several sub-sectors of creative industry in Indonesia, which are (BEKRAF, 2017):

- |                                     |                          |
|-------------------------------------|--------------------------|
| 1. Application and game developing  | 9. Craft                 |
| 2. Architecture                     | 10. Culinary             |
| 3. Interior design                  | 11. Music                |
| 4. Design and Communication Visual  | 12. Publishing           |
| 5. Product design                   | 13. Advertising          |
| 6. Fashion                          | 14. Performing Arts      |
| 7. Film, animation, and videography | 15. Fine Arts            |
| 8. Photography                      | 16. Television and Radio |

Here are the contribution of creative industry from each province in Indonesia (BEKRAF, 2017):

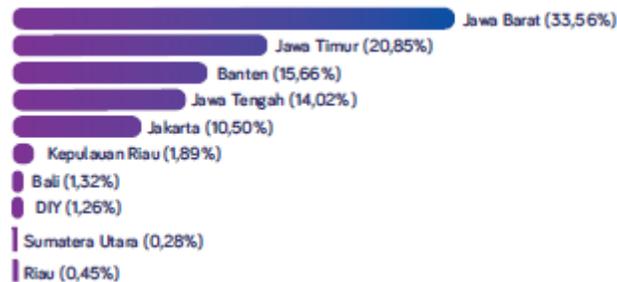


Figure 3. Contribution of creative Industry Each Province (BEKRAF, 2017)

### 5. Business Process

#### 5.1. Definition

Business process is a set of activities that create value to organization, by implementing the business process management (BPM), it can helps organization to sustain their competitive advantages (Yuan Hung, 2006). There are seven rules of business process management that should be addressed (Zairi, 1997: 78): 1) major activities should be mapped and well-documented, 2) there are horizontal linkages between key activities, 3) BPM should relies on documented procedure and system, 4) BPM should measure an activity to assess the performance, 5) based on continuous approach, 6) BPM has to represent the best practice, 7) BPM is an approach for culture change in organization.

#### 5.2. Business Process Analysis

The classification of business process can be in many ways, Keen (1997), process can be activities that create value, process that provide an options, and process that sustain the value. Harrington (1997), the business process can be classified by its value such as 1) high-value adding activities, 2) value adding activities, and 3) low-value adding activities. Harmon (2005), measure the business process by degree of importance such as 1) core process, 2) enabling process, and 3) managerial process. Krstic et al (2015) analyze the business process in hotel industries by separating activities into three categories which are 1) operating process, 2) supporting process, and 3) managerial process.

Based on the many previous study, this research focusing on the managerial process which using the qualitative process analysis by analyze the value-added of activities that happened in organization especially in managerial level. According to the Dumas (2013), in the qualitative process analysis which there are two steps to analyze the value-added 1) value classification and 2) value elimination.

The process that we analyze including the process of how the owners managing their employees and organization, so the degree of importance the business process in creative industry in Bandung very depend on the owners's instructions, policy, and task for their employees, it makes the business process in creative industry different one to others. Managerial skill also have impact to the decision and instruction given to the employees in operational level that result the business goal and objective.

## **6. Findings**

Based on the research conducted, we found that many organization, even have established more than 3 years, do not have any single documentation of their business process, they just doing the business as a habit or daily routine task, other factor that might influence this things happen because of the organizational structure, the organizational structure that implement in organization is simple organizational structure, there are only 2 layers which are the managerial level and the operational level.

The involvement and intervention of owners in managing and monitoring the operational level for their employee in organization relatively high, so its impact to the organizational goal and objective.

The combination of owner's level involvement and intervention in organization and their managerial skill makes make the creative industry in Bandung have their own uniqueness.

## **7. Conclusion**

The business process in the creative industry in Bandung is unique and mostly conduct with the simple business process, they just do the business process as a habit or daily routine task. It reflected by the organizational structure that only have two layer which are managerial level and operational level, moreover owner's level involvement and intervention also combine with their managerial skill affected to the organizational goal and objective.

This research may have some limitation, the business process analysis may lack potentially relevant theory and basic concepts. Nevertheless, this research conduct to gain the business process of creative industry in Bandung from several sector. The result also may differ in others region of Indonesia.

For further research, we suggest to identify the key success factors, the business model, and managerial skill of creative industry in Bandung, therefore we can mapping the level of competitiveness and improve the level of capabilities the creative industry in Bandung.

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