

## MINI RESEARCH OF UMKM SURABAYA CHICKEN GREAT RESTAURANT (BUSINESS CAPITAL)

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### Abstract

Capital is an important component in the establishment and development of Micro, Small, and Medium Enterprises (MSMEs), especially in the culinary sector. This study analyzes the use of personal capital at Rumah Makan Ayam Geprek Surabaya as a form of MSME, with a focus on effectiveness in operational aspects and business development. Capital is divided into two types: initial capital (for equipment, renovation, and promotion) and operational capital (for raw materials, salaries, and utilities). Using a qualitative descriptive method, this study examines the competitive strategies and financial independence offered by the use of personal capital. The results show that self-funded MSMEs have higher flexibility, faster decision making, and lighter financial burdens, thus supporting sustainable business growth.

**Keywords:** *UMKM, Personal Capital, Ayam Geprek, Financial Strategy, Culinary Business*

### INTRODUCTION

The culinary business in Indonesia is one of the business sectors that continues to grow, along with the increasing public interest in practical, affordable, and distinctively flavored food. One type of business that is currently popular is the geprek chicken restaurant. This food has succeeded in attracting the attention of various groups, from students to workers, because of its simple but delicious presentation and affordable price. However, like any other business, the success of a geprek chicken restaurant is highly dependent on effective capital management. Capital is a key element that allows entrepreneurs to start a business, meet operational needs, and expand their business.

Without proper capital planning, businesses can face various challenges, such as difficulty in meeting operational costs, low efficiency, and failure to achieve profitability. This background encourages the need for an in-depth discussion of the capital aspect in the fried chicken restaurant business. With a good understanding of capital sources, fund allocation, and management strategies, entrepreneurs can increase their chances of success and ensure the sustainability of their businesses amidst increasingly tight market competition. This paper is compiled to provide a comprehensive overview of the capital of fried chicken restaurants, which includes capital sources, fund allocation needs, and management strategies that can be applied to achieve business success.

### LITERATURE REVIEW

According to Kasmir (2014), capital is funds used to run a business, either in the form of cash, fixed assets, or other resources. Capital is divided into two:

- **Initial capital:** Used for initial needs such as purchasing equipment and renovations
- **Operating Capital:** Used for routine needs such as raw materials and salaries

A study by Aprilianti et al. (2023) shows that the use of effective marketing strategies and capital management can improve the performance of culinary MSMEs. Meanwhile, research by Septiadi et al. (2024) emphasizes the importance of capital efficiency in ensuring the sustainability of small businesses.

## METHOD

This study uses a qualitative descriptive approach, with data collection techniques in the form of direct observation and interviews with the owners of Surabaya Restaurants. Analysis was carried out on aspects of capital, competitive strategies, and daily financial management to obtain a comprehensive picture of the business practices of this MSME.

## RESULTS AND DISCUSSION

### Definition of Capital and types of capital

Capital is a sum of funds, assets, or resources owned and used to start, manage, and develop business activities. Capital is not only in the form of money, but can also be in the form of equipment, property, or other resources that support business operations. In the fried chicken restaurant business, capital is divided into two main types, namely initial capital (initial investment) and daily operational capital. The function of capital is to support the continuity of daily operations (employee salaries, raw material purchases, utility costs, etc.). Provide opportunities for business development, such as opening new branches or improving service quality.

### Types of Capital

#### 1. Initial Capital (Initial Investment)

Initial capital is the funds needed to start a business. In the context of a geprek chicken restaurant, this capital includes:

1. Rental Fees such as fees paid to rent a business location. Example: Strategic locations, such as near schools, campuses, or office areas, usually require higher rental fees.
2. Purchase of Kitchen Equipment such as Equipment needed for cooking and serving food. Examples of equipment: gas stove, large frying pan, blender, freezer, storage rack, and cutlery.
3. Renovation and Decoration of Places such as Costs to repair and beautify the business premises to make it comfortable for customers. Examples: painting walls, installing tables and chairs, or branding the business.

#### 2. Daily Operating Capital

Operational capital is the funds needed to run daily activities at a geprek chicken restaurant. Operational capital allocation includes:

- Purchase of Raw Materials, such as costs for purchasing main raw materials such as chicken, flour, chilies, spices, cooking oil, and rice.
- Employee Salaries, such as costs to pay workers who help with operations, such as chefs, cashiers, and waiters.
- Utility costs, such as costs for electricity, water, and gas used in daily operations.
- Premises and Equipment Maintenance, such as costs for repair and maintenance of kitchen equipment and cleanliness of the business premises.

#### 2.1 Sources of Capital Used in Surabaya Restaurant UMKM

Rumah Makan Surabaya started its journey by using personal savings as initial capital, a very wise move for a budding entrepreneur. The use of personal funds provides a sense of security and full control in running the business, especially for owners who want to ensure that every decision taken remains in line with their personal vision and mission. Without the need to involve outside parties, such as banks or investors, owners can move more freely, avoiding the various financial obligations that usually come with loans, such as interest or installments that must be paid in the long term.

#### A. Benefits of Personal Capital:

##### 1. Flexible Financial Management

With personal capital, entrepreneurs have complete freedom in managing their finances without having to be tied to a payment schedule or interest. They can determine when and how the money is used, whether for operational costs, renovation of premises, or marketing. This also allows business owners to be more economical and efficient in planning their budgets, and avoid the stress that often comes with excessive financial burdens.

##### 2. Faster and More Accurate Decision Making

Without having to wait for approval from external parties, such as banks or investors, every decision taken can be implemented immediately. The owner can immediately decide on the design concept of the restaurant, choose a location that suits the target market, or determine the type of menu and price without any intervention that might hinder the decision. This speed is very important in the business world which is full of dynamics and tight competition.

### 3. Independence in Managing Business

Using personal savings also provides a sense of independence that is very important in business. Business owners have full control over the direction of the business, without having to be accountable for business decisions to investors or outside parties. They can explore new ideas more freely and change business strategies according to market needs without fear of losing the trust of third parties.

### 4. Avoiding Conflict with External Parties

One of the challenges that often arises when involving third parties in venture capital is the potential for conflict. For example, if the business is experiencing difficulties or is not meeting expectations, tensions can arise between the business owner and the investor. By using personal funds, such conflicts can be minimized, because the owner does not need to report or be accountable for business results to external parties. This also reduces the potential for stress that often arises due to expectations from external parties.

### 5. A More Efficient and Simpler Process

Without involving bank loans or investors, the administrative process that must be gone through to start a business becomes much simpler. Business owners can immediately start their business without having to meet various requirements that are often time-consuming and costly, such as loan applications or negotiation processes with investors. This makes the first step in opening a Surabaya Restaurant faster and more efficient, allowing them to immediately focus on operations and service quality.

### Business Development with Personal Capital

After Rumah Makan Surabaya is running, the use of personal capital provides an opportunity for entrepreneurs to be more flexible in developing their business. They can choose to invest the profits they earn into further development, such as opening new branches or introducing new, more innovative menus. Without the pressure to report to investors or other parties, entrepreneurs can adjust their strategies to the evolving market situation.

In addition, if the business starts to grow rapidly and requires additional capital, the owner can consider looking for investors or bank loans, but the decision can be taken more wisely and based on mature considerations, because they already have a strong foundation in running a business using personal capital. With a solid initial step through the use of personal savings, Rumah Makan Surabaya has a great opportunity to grow and develop into an independent and successful business, with a solid foundation and an owner who has full control over the direction of his business.

### Details of Initial Capital and Operating Capital

#### 1. Initial capital

Initial capital is the funds needed to start a business, such as to purchase equipment, initial raw materials, renovate the premises, etc. Here are the details of its allocation:

NEED	AMOUNT	COST (RP)
Renovation of Place	-	Rp. 10,000,000
Kitchen Equipment (Stove, Frying Pan, Etc.)	1 Package	Rp. 8,000,000
Eating Utensils (Plates, Glasses, Spoons)	1 Package	Rp. 3,000,000
Table chairs	11 Set	Rp. 6,000,000
Raw Materials (Flour, Chicken, Tempeh, Rice, Oil, Etc.)	75 Kg	Rp. 6,000,000

Vegetable Cabbage, Chili, Etc.)	Vegetables (Lettuce, Cucumber,	25 Kg	Rp. 1,300,000
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### 1. Operating Capital

Operating capital includes the costs required to run a restaurant each month, such as monthly raw materials, employee salaries, and utility costs. The allocation is as follows:

NEED	AMOUNT	COST (RP)
Employee Salary (3 People)	3x Rp 4,000,000	Rp. 12,000,000
Raw Materials (Spices, Chicken, Flour, Etc.)	50 Kg	Rp. 4,800,000
Vegetables (Lettuce, Cabbage, Cucumber, etc.)	10 Kg	Rp. 700,000
Electricity & Water	-	Rp. 1,000,000
Styrofoam, Plastic	7 Ball	Rp. 1,600,000

### Competitive strategy of Surabaya Restaurant UMKM

#### 1. Maintain and develop product and service quality.

To maintain the quality of UMKM Rumah Makan Surabaya and maintain the quality of existing products by setting and quality of products and services. In setting product and service quality standards. These UMKM must always develop product and service quality by providing better product and service quality standards. The development of product and service quality must also be adjusted to consumer needs, consumer desires and changes in consumer lifestyles. For example, by providing facilities to deliver orders to the consumer's place so that consumers do not need to leave the house.

#### 2. Pricing must be done carefully and also take into account competitors' prices.

The pricing process must be careful and must consider many factors because if it is too expensive it will not be able to compete, but if it is too cheap it will be suspected by consumers of the quality of the product. So in determining the price must go through a direct survey in the field.

#### 3. Empowering local potential.

UMKM Rumah Makan Surabaya has strengths such as the types of dishes sold are diverse, ranging from affordable prices for the lower middle class especially for students, Abundant raw materials at affordable prices, Good relationship between owners and employees. With this strength, it can be utilized and empowered so that it can advance the UMKM Rumah Makan Surabaya business. Empowerment is by maintaining the distinctive taste of food and always innovating its products and services. Such as by adding variations in taste, new food menus and creating new foods according to trends to increase consumer interest, and adding more aesthetic facilities.

Opportunities for Surabaya Restaurant UMKM in the campus area are the local government supports the development of UMKM, State Universities, and the lifestyle of the community makes food a basic need, identity and recreation, as well as the busyness of the community and students so that they do not have time to cook for themselves. These opportunities must be utilized as well as possible so that they always develop and advance.

### CONCLUSION

Rumah Makan Surabaya started its business by utilizing personal capital that allows the owner to have full control in management and decision-making. Initial capital is used for investment needs such as rent, kitchen equipment, renovation, and promotion, while operational capital is used for daily activities, including purchasing

raw materials, employee salaries, and utility costs. This approach provides flexibility, efficiency, and avoids conflict with external parties. In competing, Rumah Makan Surabaya utilizes local advantages, maintains product quality, sets competitive prices, and innovates according to consumer needs and lifestyles. The strategic location around the campus also provides a great opportunity to reach the student market.

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