

**TWO CASE STUDY OF ISLAMIC FASHION SMALL BUSINESSES: OPERATIONS
MANAGEMENT TOOLS APPLICATION**

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ABSTRACT

This article discusses the implementation of operations tools in small business environment. The method used in this study is case study and combined with application of operations management problem solving tools. This study has involved two Islamic fashion company in Indonesia. Company A established in 2011 and the current market reach not only domestic market but also international market such as Malaysia, Singapore and Germany. After examined in previous study using value chain analysis, two main problems related to operations management found in this company comprise location selection and inventory management. Company B established in 2012 with range of market to various places in Indonesia. The main problem faced by this company is supplier selection. For company A, economic order quantity (EOQ) method used for inventory management while factor rating method used for location problem. For company B, analytic hierarchy process (AHP) used for supplier selection.

Keywords: operations management, economic order quantity, factor rating, analytic hierarchy process.

1. INTRODUCTION

Clothing is something that is important to the survival of all mankind. The existence of clothing in terms of life, not only as a necessity, but also has become a trend that changes every season especially for women, or children, adolescents and adults. The fashion industry is a rapidly growing industry around the world, especially for women. One of the women's fashion industry that is popular today is the hijab fashion industry especially in a country of Muslims, such as in Indonesia. Based on data from the Global Islamic Economy Report in 2014 - 2015, the number of shopping fashion world Muslim community was USD 265 billion. A total of USD 18.8 billion came from the Muslim fashion shopping in Indonesia, which ranks third among the 15 Muslim countries in the world.

Contribution to such fashion shopping in Indonesian society that is so great closely related with the development of the Muslim fashion industry in Indonesia. Based on data from the Ministry of Industry of Indonesia, of the 750,000 SMEs in Indonesia, 30 percent is Muslim