

# CHAPTER I INTRODUCTION

## I.1 Background

Currently, technology plays a crucial role in supporting work across various sectors. One notable impact of technological advancement is in the economic and business sectors. Traditional business methods have evolved with the introduction of information technology (Akhmad & Purnomo, 2021), offering added value and benefits to businesses (Purba Sugumonrong et al., 2019). The growing use of technology has contributed to advancements, such as the rise of online marketplaces and web-based stores, allowing businesses to expand their sales beyond their local areas.

The advancement of technology demands various sectors to enhance their capabilities, one of which is the MSME sector. MSMEs play a crucial role in Indonesia's economy, contributing 61.07% to the GDP. The utilization of digital technology by micro enterprises has led to a 38% increase in revenue and has the potential to boost the country's economic growth by up to 2%. However, many MSMEs have yet to adopt digitalization or implement technology, relying instead on manual systems. These conventional methods are often time-consuming and inefficient (Prasetyo et al., 2022).

Sate Ayam Jago is a company focusing on the culinary field, Small and Medium Enterprises (SMEs) located in Bandar Lampung City, Lampung Province. Currently, the Sate Ayam Jago Company has a daily transaction volume of almost 2000 transactions. The large number of transactions owned by the Sate Ayam Jago Company makes it difficult for the owner to record cash flow data, which is currently still recorded manually using Microsoft Excel.

Manual record-keeping is time-consuming and inefficient. Errors in information, such as recording profit and loss or inventory, also occur in other companies (Marisa & Yuarita, 2017), along with challenges in tracking sales transactions, store management, and payments (Wiguna et al., 2019).

Based on the things that have been described, an application is needed that can solve the problem so that it makes it easier for the owner to manage his business. The solution to the problem described in the previous paragraph is to buy a POS (Point of Sales) application for the Sate Ayam Jago Company that can help with work such as

recording satay sales transactions and recording expenses related to operations and capital so that every month the cash flow that occurs can be reported.

## **I.2 Formulation of The Problem**

The formulation of the problem underlying this research is related to the background of the existing problem so that the description presented does not deviate from the title of the research being conducted. The formulation of the problem that are discussed is as follows:

- a. What are the common challenges faced by Sate Ayam Jago Company in managing high transaction volumes manually?
- b. How does the function of the features in this POS (Point of Sales) system perform?

## **I.3 Research Purpose**

Based on the problems that have been explained previously, this study aims to:

- a. Analyze the common challenges faced by small businesses in managing high transaction volumes manually and understand the impact of these challenges on business operations and financial data management.
- b. Evaluate the performance of key features within the POS (Point of Sales) system in improving transaction processing, financial data accuracy, and operational efficiency for small businesses, with a focus on its application at Sate Ayam Jago Company.

## **I.4 Research Limitation**

The limitations of your research on the development of a web-based POS application for Sate Ayam Jago Company could focus on the following points:

- a. **Technical Constraints:** The development was based on specific technologies such as the Laravel framework, MySQL database, and PHP. These tools may have limitations in scalability, performance, or integration with other platforms in the future
- b. **Scope of Features:** The POS application developed primarily focuses on managing sales, equity capital, and operational costs. Additional features, such as advanced inventory management, real-time analytics, or integration with

third-party payment systems, were not implemented, limiting the system's functionality for broader use.

- c. Limited Testing Environment: The testing phase was carried out using the User Acceptance Testing (UAT) method within a controlled environment, specifically for the Sate Ayam Jago Company. The POS system has not been tested across different businesses or varying transaction volumes, which may affect its adaptability in other contexts.
- d. Limited Testing Environment: The testing phase was carried out using the User Acceptance Testing (UAT) method within a controlled environment, specifically for the Sate Ayam Jago Company. The POS system has not been tested across different businesses or varying transaction volumes, which may affect its adaptability in other contexts
- e. Manual Data Entry Dependency: Even though the POS system reduces manual data entry errors, it still relies heavily on employees entering data manually, which can lead to potential inaccuracies, especially in high- transaction environments

## **I.5 Benefits of Research**

The results of this study produce the following benefits:

- a. For the Sate Ayam Jago Company, this research is useful in recording and reporting cash activities that occur within the Company so that it can make it easier for the owner to control the progress of the Company's cash activities.
- b. For other students and /researchers who are engaged in designing POS (Point of Sales) applications, this research is useful as a reference in creating POS (Point of Sales) applications.
- c. For Telkom University, it adds the product results that have been created by its academic community.