

## **Chapter II. Research Objectives and Methodology**

### **2.1 Research Objectives**

The objectives of this study are to better understand the activities, actors, and interactions among actors in intervention for SME upgrading. The value chain model identifies constraints and opportunities for intervention. The objectives are as follows:

- 1) To provide a detailed model of production & export value chains in the furniture sector.
- 2) To analyze the interaction options provided in the market by different stakeholders and organizations.
- 3) To provide detailed information about the typical business services required by the producers and exporters within the value chain.
- 4) To provide proposals for Point of Interventions (POI) within the pilot project.

### **2.2 Methodology**

The research strategy utilized to reach those objectives is through a value chain approach. In this analysis, we identify the function, actors, and interactions between actors. We also elaborate upon the constraints and opportunities to overcome the problems.

#### **(1) Data collection**

Information was collected from multiple sources, including interviews with exporters, manufactures, suppliers,

retailers, associations, and service providers. The research areas were Semarang, Jepara, Solo (Sukoharjo and Klaten), and Yogyakarta. This research also collected secondary data via the Internet.

(2) Intervention priority

Based on our findings, we provide a map of previously identified constraints and opportunities, and also elaborate interventions. Therefore, we started by identifying all possible interventions for each issue. To prioritize, we selected by scoring (5 points) every possible intervention based on “rule of thumb” from three dimensions (see Figure 6): (a) the degree of easiness of the intervention implemented; (b) the impacts or benefits from the interventions when implemented; (c) the cost for the implementation

**Figure 6: Rule of thumb to rank the intervention**

