ABSTRACT

The rapid industrial development prompted the company to constantly improve its resources as much as possible. Micro small and medium enterprises (MSME) is one of the forefront drivers of economic development. Various approaches for MSME is announced by the government to build competitive advantage MSME itself. Yogyakarta is famous for its creative industries, such as pottery industry in Kasongan. MSME in Kasongan experienced various issues including capital constraints, Temu Ceramics as one of MSME in Kasongan experiencing problems because of the lack of good management of working capital and working capital decreased.

To understand the system at Temu Ceramics requires a causal diagram to determine the effect of feedback. In the dynamic system flow diagram is used to make more complex model after the relationship in a causal diagram using software tools Powersim Enterprise Studio 2005 is determined, then it is simulated to obtain the results from the initial model to the alternative policy scenarios.

Analysis of the results of the initial model with retained earnings by 75% and down payment by 35% with working capital input amounted Rp.17.000.000,- by January 2010, the availability of working capital deteriorated until December 2012 amounted Rp.12.316.300-,. initial models of alternative policies with retained earnings by 80% and reduced down payment from 5% to 30% is expected to raise the interest of the buyer to make a reservation, availability of working capital is quite good with the availability of working capital is Rp.38.000.000-,. While the second alternative policy model with retained earnings by 80% and down payment by 35% shows that the availability of working capital is enough, where the average in 2014 is Rp.30.000.000- , but a large down payment can discourage buyers to make an order. So the first alternative policy is chosen as the best alternative policy for Temu Ceramics to develop his own business.

Keywords: Micro small and medium enterprises, working capital,system dynamic