

The power of sharing the case of Sederhana (SA) restaurants in Indonesia

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ABSTRACT

This paper aims to investigate and describe how the practice of sharing system is applied in one of Indonesia's well-known and largest indigenous restaurant chains. The research applies a case study method. It is focused only on a single company with around two hundred branches nationwide. The data were mainly collected by deep interviews and observations. All data are analysed qualitatively. An interactive model as suggested by Miles and Huberman (1994) is adopted. The study found that this company has a very distinctive method not only for its financial matters, but also the operations in general. The operations seem to apply the mixed *musharaka* and *mudharaba* principles; although the Islamic term is hardly used, the values applied are Islamic in nature. The business model can offer widely that there is another model of business which promises the power of sharing among the participants.

Introduction

Indonesia is known as a unique country, as it also has many varieties in terms of local languages, tribes, foods, cultures, and so on. One of them is the existence of the Minangkabau tribe with all its uniqueness in terms of family systems, culture, language, religion, food, and many other things. Many studies have been done on this tribe and its uniqueness, such as Errington (1984), which focuses on examining the Minangkabau indigenous epistemology. Armiati et al. (2019) study specific Minangkabau cultural values that can be internalized in learning economic principles. Naim et al. (1987) and Naim (1993) which study the concept of restaurant management in Minang as a prototype of sharing economy based on Pancasila value. Hastuti et al. (2015) explore the Minang entrepreneur characteristic in managing the restaurant business. The most recent study by Munir et al. (2020) highlights that profit sharing is a fundamental characteristic of Minang restaurant management.

All these studies have proven the uniqueness of Minang culture in building restaurant management system. Yet, many other aspects are still interesting to further study, such as the implementation of Islamic value that underlie the minang restaurant management. Previous studies still analyze the two aspects in two general streams of research. The first is research that focuses on the interesting and unique aspects of restaurant management in Minang culture, such as Naim (1993); Naim et al. (1987); Mardatillah (2020); and also Munir et al. (2020). The other stream is study that focusses on the implementation of Islamic values in several aspects of Minang people's life such as Abdullah (1966); Alfurqan (2020); Basri and Arafah (2023) and also Games et al. (2013, 2021).

There is still limited studies that combine restaurant management and Islamic economic aspect of Minang culture. This research will explore the two interesting aspects of Minang restaurant management system and Islamic economic value implementation in the Minang restaurant management system.

The restaurants owned and operated by the people of Minangkabau are well known not only in Indonesia but also in neighboring countries like Singapore and Malaysia until West Europe and the US. Its unique food, like *rendang*, is recognized as the most delicious dish in the world, as recognized by CNN (2017). It was also recognized as one of the cuisine that symbolized the Minang culture throughout the world (Nurmufida et al., 2017). Suri (2015) emphasized the important aspects of *rendang* and stated that it was Minang's legacy to the world of cuisine. Thomas Bach, the President of the International Olympic Committee (IOC), who visited Jakarta to attend the closing ceremony of the Asian Games, also recognizes the taste of *rendang* that he likes very much (Nastitie, 2018).

The restaurant is also unique in terms of management, particularly in how it operates and shares the profit among the owners, managers, and "employees". Although some related studies have been conducted on this issue (Naim, 1985; 1987 and Klopfer, 1993), they have not explored the implementation of Islamic economic values related to this practice.

This research will answer two questions. First, how is the accounting and financial management practice of Minang restaurants generally? Second, how is the concept of Islamic profit sharing implemented in Minang restaurant management?

This study is based on the case of RM Sederhana (which registered its trademark as SA), the largest Minang restaurant in Indonesia in the last three decades. There are perhaps thousands of Minangkabau restaurants or *RM Padang*, throughout the country or even overseas. Most of them, if they are still owned and operated by the Minangkabau people, apply the basic, classic, and genuine model which have been practiced for the past thousand years ago. Because of this reason, taking one case of them will be adequate to describe the common model, particularly RM Sederhana (SA), which is the largest so far. Recently, RM Sederhana (SA) has about two hundred chains, branches, or outlets throughout Indonesia, including few in neighboring countries.

The next part of the research will provide relevant literature prior to the study related to Minang restaurant management and several important aspects of the Islamic economy in restaurant management. Section 3 will explain the methodology used in this study, followed by research results and discussion. The last section of the study will highlight the implication, limitations, and recommendations for further research.

Literature Review

Studies on the management of Minang restaurants have been conducted by Naim (1993) and Naim et al. (1987). They studied 15 cases of Minang restaurants located in Padang city, West Sumatra, which consist of 7 big restaurants, 5 medium restaurants, and 3 small restaurants. The research's main objective of the research is to study the pattern of Minang restaurant management. It is expected that the study may result in the outcome in the form development of the a genuine model of management based on the local culture and be spread as the country (Indonesia) management model, which is also relevant to the Indonesia constitution that is based on Pancasila, the five principles of Indonesia state philosophy (Naim et al., 1987, p. 3)

Fifteen Minang restaurants were analyzed based on a few aspects such as the owner's background, the restaurant's history, organizational structure, industrial relations, rights and obligations of employees, employee development program, and profit-sharing systems. The analysis indicates that – in terms of labor cost, the big restaurants apply a profit sharing system among the owner or manager and other employees. In contrast, the small restaurants apply afixed salary with various of bonuses.

All studies conducted by Naim (1993) and Naim et al. (1987) originated from Padang City and suggest that future research can be further broadened to other cities beyond Padang. However, no further study was found. This research answered their challenge by using the biggest Padang restaurant chain in the world, RM Sederhana. This research is expected to give a broader understanding of the implementation of accounting and Islamic value in Minang restaurant management by utilizing the qualitative approach, and the analysis was conducted by multi-level, cross-cultural, cross causational, and cross-correlational.

It is interesting to note that Klopfer (1993) has also published her research in relatively deep analysis. It covers many aspects, such as ethnicity in Indonesia, the cuisine of Minangkabau, till the Padang restaurants. Although the research has included the Padang restaurants, where the discussion goes deeply from cuisine, ethnicity, migration, and other related traditions of the Minangkabau society, it has not analyzed and emphasized the management, particularly its relation with financial, accounting, and distribution of profit among the stakeholders in Minang restaurant,

Hastuti et al. (2015) have also studied the Minang entrepreneur characteristics. By applying the qualitative approach, they have successfully identified ten unique characteristics of Minang entrepreneurs generally, which are believed to have colored their business successfulness , particularly in the Padang restaurant industry. These include self-confidence, hard work, careful calculation/economical, self-reliance, perseverance, contribution to the family, consistency, ingenuity, flexibility, and courage to face business challenges. It means that Hastuti et al. (2015) merely intended to search the Minang entrepreneur characteristics, while their study have no concern with the management and accounting aspects of the Minang restaurants industry.

It is imperative to note that the society of Minangkabau claims that their traditions are based on the Islamic value or *shara'*, where *shara'* is based on the Qur'an (Navis, 1986). In other words, the claim says that their traditions are based on Islamic values. It is why most if not all, activities are strongly related to Islamic values. These include their traditions in business. Among the well-known business contracts in Islam related to the business are the *mudharabah* and the *musharakah* (Adnan, 1996). The *mudharabah* is the business agreement between two or more parties, where one party provides the capital and is called *rabbul-maal* (or *sahibul maal*), and the other will run or operate the business and is called the *Mudharib*. The profit earned will be shared according to the contract agreed. If the loss occurs, the *Rabbul maal* is responsible for the financial loss, and the *Mudharib* (business operator) is responsible non-financial loss, such as their expertise and time consumed. The *musharakah* is a business contract between two or more parties or more, where every party contributes both financial and non-financially 'assets'. The profit and loss resulted will be shared accordingly.

There are two fundamental key points related to the above important concepts (*Mudharabah* and *Musharakah*), the power of partnership and the spirit of fairness. Both models of contract are based on a partnership system between two or more parties. At the same time, both types apply the partnership in the spirit of fairness, in the sense that all profits earned are shared accordingly. This is different – for example – from the mainstream of salary system applied generally. In this regard, the labors will receive their right in the form of salary, regardless of the situation which the company faces. Even in the loss condition, the firm or company has to pay its obligation to the employees. In the opposite condition, the firm or company owners will enjoy all the profits earned after paying the salaries of labors. It is very possible that the shareholders will enjoy very much profits as compared to limited salaries received by the employees. The fairness of profit distribution between employees and shareholders is subject to endless debate. This situation is perhaps among the triggers of the so-called Agency Theory, as proposed by Jensen and Meckling (1976) and in the author's view. However, indirectly supported by Bendickson et al. (2016), the application of fairness and profit sharing mechanism in Padang restaurant is opposite to the Agency Theory. Thus, studying the mechanism will give another point of view to agency theory which is interesting to explore.

Research Method

This study applies the qualitative approach. The data were obtained primarily by conducting in depth interviews with the founder and employee of RM Sederhana. Some observations were also conducted in few different branches. All the collected data and information are then reviewed, analyzed, and constructed in portraying many aspects of the business, from the history and philosophy to the operations and accounting reports (Sugiyono, 2014). An interactive model, as suggested by Miles and Huberman (1994), is adopted from those processes then the conclusions are derived.

Result and Discussion

General Overview of Research Object

Being successful in life is the dream of many people. This was no different for young Bustamam, when he quietly said, about seventy years ago: *"I wish to be like him: having a good restaurant, a good car, a comfortable house and living nicely"*. This was dreamt in the 1960s when he was working with the owner of a Minang Restaurant in the small town of Jambi (Indonesia) when he was about 20. He believes that entrepreneurship is one of the best ways to realize his dreams (Adnan, 1988; Zacharakis & Bygrave, 2019).

He had experienced a lot of hard feelings and tough situations in his youth, especially due to a lack of education. His mother passed away when he was only six years old and formally, he could only complete year 3 of Primary School. Then fate forced him to struggle for survival. He became a rubber tapper in Jambi and Riau, then an employee in a Minang or Padang Restaurant, and later a small, itinerant trader or peddler.

After such a long struggle in that region, fate brought him as a migrant to Jakarta, the capital of Indonesia, and to the promise of a future in this city, as many Indonesians believe. Yet, he did not get the answer on how to realize his dream. Once he arrived in Jakarta, Bustamam did not directly establish the Minang Restaurant or RM Sederhana due to lack of capital, knowledge, and experience. He initially started a business selling various simple things like cigarettes, matches, and other related essentials to people in Bendungan Hilir, Jakarta. The business was started with only IDR27,000 or less than USD \$2.

He operated this simple business without any shop but moving around. One of the risks that he and other similar small and informal traders faced was the need to hide and run away from the police officers who used to chase them from time to time. However, the challenge not only came from the official officers but also from gangsters who also disturbed them continuously. As is commonly known, gangsters used to control the informal traders by demanding payments as 'security' fees, either daily or weekly. These were unforgettable and difficult conditions, as recognized by Bustamam. *"It needs a lot of sacrifices"*, he added.

The above situation then forced him to move from Bendungan Hilir to the Roxy area, about 7–10 km from the original location. Although the situation in Roxy was not so much different from Bendungan Hilir, Bustamam felt that he had found a blessing in disguise in the new location. There was a Minang Restaurant that provided the nicest Minang food and dishes he had ever tried. According to Bustamam, the taste was much better than what he used to cook. Quietly, he tried to approach the Master Chef of that Restaurant, Mr. Danin. Surprisingly, Danin welcomed him and even gave him the recipe for the Minang foods that Bustamam requested. He then learned and tried Danin's recipes and made a few necessary adjustments. He believes strongly that Minang food is enjoyable for all parties, regardless of their origin, taste buds, and languages: a belief shared by many.

Having this important 'capital' and strong intention, in 1971, he then went back. He tried to establish a small 'Warung' at Bendungan Hilir because the authorities had demolished the Roxy area. Bendungan Hilir was crowded enough, although not many food stalls were there. Bustamam, however, still a humble man, started his

small *warung* using a moveable cart and tent, which he named *Sederhana*, meaning simple.

The initial efforts gave little results, as he needed to extend his experience in the business by learning continuously both how to cook better and how to understand the taste of his consumers. One of the funny experiences was that he could not clean the meat completely, which finally affected the taste of his *gulai* (curry). “*It was a bit bitter*”, he remembered with embarrassment but laughing. After about one year, his star started to rise and shine. He could serve about 150 portions or customers daily, earning about IDR 9,000 daily. In 1974, he successfully purchased two kiosks of 3 x 4 meters for IDR300,000. 20% was paid in advance, and the balance was paid in installments over two years. From this point, he extended the business not only in Jakarta but all over the country and overseas. The current information indicates that the business has grown steadily with around 200 branches nationwide.

Accounting and Financial Management in Minang Restaurant

Business philosophy and operations

Unlike many other businesses or restaurants in the world, The Minang Restaurants generally, and RM Sederhana (SA) particularly, apply their unique model of philosophy and operations. Some principles are applied consistently, including honesty and integrity, hard work, and the spirit of togetherness.

The belief in the power of sharing is one of the strongest features of Minang Restaurants. This is, for example, implemented in the practice of equal rights among all the participants in the system. No ‘labor’ term is used; instead, everyone is treated as a partner. Consequently, no one will receive a monthly salary or wage. Also, everyone in the business has the right to consume the selected and agreed foods and beverages agreed upon. With regard to individual income, all participants share the profits in a particular period, either 100 days (about three months) or 60 days (two months) (See also Naim et al., 1987). A more detailed explanation about this is given later in the human resources and financial aspects. The operation of the business is generally divided into three main departments: production, finance, and sales. The production department is responsible for planning and processing the selection of foods and beverages to be offered to the customers. It includes buying the related materials (meat, fish, rice, spices, chicken, fruit, and so forth), processing or cooking, and delivering them to the sales department.

In some branches of RM Sederhana, the process is centralized, and the production is prepared and distributed to selected branches. In other branches, the kitchen is operated independently. To control the quality, the main spices are manufactured in the main kitchen in Jakarta and distributed accordingly. Some of the raw materials are delivered from different parts of the country or even imported from other countries like India, Malaysia, or Egypt. “*This is the way to control both the number of supplies, as well as the quality*”, as added by Mrs. Bustamam, the person in charge of this key important issue. They also collect and clean all the used plates, spoons, forks, bowls, saucepans, and all other tools or equipment. This group of people is also responsible for the overall cleanliness of the restaurants.

The last section in the sales department is the cashier. This section collects cash sales or processes credit card payments. In turn, the cashier also prepares reports on financial matters for the manager. Moreover, the cashier also helps the sales department get orders and provide relevant information to customers. One of the unique features of the Padang restaurants is that the customer(s) are only charged for the foods and dishes they consume. Although a variety of foods and dishes are presented at the customer’s table, the customers choose the foods they desire to consume. Those that are not consumed will not be charged or counted at all. In addition, some supporting departments also exist. These include the financial and accounting departments. However, the whole operation might be seen from the simplified structure of the organization shown in Figure 1.

The finance department is responsible for managing the financial aspects, which include planning, organizing, and controlling everything related to financial matters. It must ensure that all operations are running smoothly, and that the earning target is achieved effectively. The specific tasks assigned to the finance department include budget preparation, monthly cost prediction, controlling the firm’s assets, cash depositing, reconciling the cash and records, running the accounting systems, and preparing the financial statements.

The sales department is obviously responsible for serving all customers’ needs concerning food and beverages. There are two basic modes of service: seating and food provision. When the customers come in, they will be asked to select the most comfortable table(s) and seat(s). Soon afterward, various dishes and rice are presented on the table. [Free] tea is provided as a part of the total menu. However, the customer may also request special drinks. It is commonly known that Padang or Minang restaurants serve many kinds of juice, like avocado, sweet and sour, cucumber, orange, tomato, and so on. In addition, some kinds of soft drinks are also available. The customers may request any of those drinks. It is important to note the restaurants serve only halal foods and drinks. Non-halal foods and drinks are strictly prohibited and avoided.

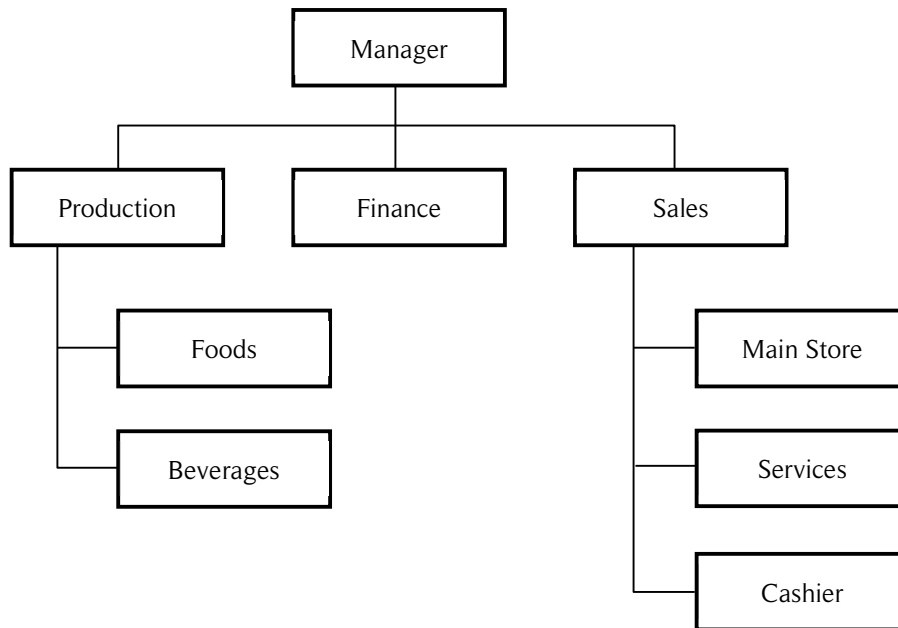


Figure 1. Basic Organizational Structure of RM Sederhana (SA)

In addition, RM Sederhana also delivers food and beverages to the customers' addresses, either for small or big parties. This service is also prepared by the sales department, especially the main store section, usually called the *palung*. The *palung* is considered one of three sales department sections, besides the service and cashier sections. The service section prepares the welcoming drink, a small bowl for washing hands, and takes orders for the beverage *Palung*.

Above the manager, there are two important parties, the franchisor and the franchisee. The franchisor owns the trademark of RM Sederhana and agrees to the franchise contract with the franchisee(s). The business concept belongs to the franchisor. In general, the franchisor is responsible for the following aspects: selecting and appointing the manager, setting the overall policy that must be complied with by the franchisee, fulfilling the requirements required by the franchisee, providing training formats and the use of special [new] tools, designing marketing concepts, building the image of the restaurant and maintaining relations with the customers, 'employees', investors and society. The franchisor, however, has the authority to set prices, select and appoint the manager, welltrained chefs or cooks, and any other supporting personnel, decide on the taste of foods and their variation and innovations, and receive financial statements as the basis of profit sharing.

The franchisee is the investor(s). The franchisee has the following responsibilities: financing capital and working capital investment, complying with the business format set by the franchisor, and implementing the management professionally. However, the franchisee also has the authority to decide the location of the restaurant, the design of the building and receive the financial statements and the profit sharing accordingly.

Human Resource Relations

As alluded earlier, among the unique operational features of Minang Restaurants, which is also applied in RM Sederhana, is the business relationship between those involved, from the franchisor, franchisee, and all other personnel. The so-called egalitarian philosophy is applied almost purely. No 'employer-employee' relationship exists. All personnel, no matter what the post held, are treated equally. For example, there is no salary guarantee, either weekly or monthly, but everyone has the right to fulfill basic needs by having meals three times a day.

If an individual staff member needs money, they may propose a short-term loan with no interest. This borrowing is not limited to cash or money; other raw materials can be borrowed by any personnel who need them. This particularly happens in smaller and medium-sized Minang restaurants.

Openness and transparency are other cultural features that apply generally. In some smaller and informal Minang restaurants, there is no rigid boundary between the personnel assigned to the main food store (*Palung*), the service group and the cashier (Naim et al., 1987). The task of being a cashier might be intertwined. However, this practice has been reduced significantly in the more 'modern and bigger' Minang Restaurants since they have divided the tasks more clearly (Klopfer, 1993).

As stated by Hari Purwanto, the Corporate and Financial Manager of PT RM Sederhana (SA), three basic attitudes are always required and must be maintained while working within Sederhana Group; these include honesty, hard work, and commitment. People cannot maintain these basic attitudes will be requested to leave.

Financial Management

The financial management system is another distinctive feature of Minang Restaurants, fully implemented by RM Sederhana (SA). In alignment with the unique relationships among all personnel involved in the business operations, no one receives a fixed salary or wage. Instead, a professional compensation system based on profit-sharing is applied to all staff members without any exceptions. The Finance Department takes responsibility for planning and controlling the financial systems, overseeing everything from material purchases and expenses to sales revenue and other cash inflows and outflows.

This department follows a one-hundred-day accounting cycle. The specific rationale behind choosing a 100-day period (approximately 3 months) is not explicitly grounded in any clear theoretical foundation. However, it is presumed to be the optimal timeframe for accurately calculating profit and loss. Additionally, it is considered the ideal period for profit-sharing, given that no personnel receive cash compensation or salary during this accounting cycle (Klopfer, 1993; Naim et al., 1987).

One of the recent updates is the reduction of the accounting period to two months, which has been implemented in certain selected branch outlets. The rationale behind this change is to alleviate the challenges associated with monthly payments for utilities such as electricity, telephone, and water supply bills. These bills are typically issued on a monthly basis, and aligning a 100-day period with three months makes it difficult to properly allocate some of these expenses. Another motivation for the change is to assist employees who may require access to cash in a shorter timeframe. The typical form of Financial Statements of RM Sederhana (SA) can be seen in Table 1.

RESTAURANT/RM SEDERHANA Profit and Loss Statement

For 100-day Period

(Assumption: Average Sale or Revenue is IDR. 10 million per day)

Table 1. Profit and Loss Statement RM Sederhana

Accounts	Amount	
	%	Rp.
Sales/Revenues		1,000,000,000
Supplies and operating expenses	70%	700,000,000
Income Before Zakat	30%	300,000,000
Zakat	2.50%	7,500,000
Net Income After Zakat		292,500,000
Rent expenses/depreciation	10%	29,250,000
Distributable Profit		263,250,000
Profit Sharing:		
For "Employees"	50%	131,625,000
For franchisors and franchisees	50%	131,625,000
- Fee for franchisor (part of no 9)	30%	39,487,500
- For Investors/franchisees (part of no 9)		
* Part no. 9	70%	92,137,500
* Addition from depreciation		29,250,000
		121,387,500

Profit Sharing Implementation in Minang Restaurant

As mentioned earlier, Minang Restaurants apply the profit-sharing system between the franchisor and franchisee(s) between management and "employees", or among the 'employees' themselves. This is why one cannot find such salary or wage accounts in the Minang Restaurants' financial statements' accounts, except for those working as the controllers, either for operations, financial, and/or auditors.

The operation controller is attached to the head office of the corporation. They go around several branches to ensure that everything goes well. Special attention is given to the taste and quality of the food and beverages. The financial controllers and or auditors work in almost the same way. They will collect all transaction evidences, when necessary, verify these evidences randomly, and finally prepare the periodic Income Statements for all related parties in the business. The controllers are referred to as staff and unlike other 'personnel', they are compensated by a fixed monthly salary.

The profit distribution applies another pattern, which is based on the skill or effort contribution, respectively. Points measure the contribution. As described previously, three main departments are involved: production, finance, and sales. Again, there is another variety of practices among the Minang restaurants. The following is an example of point distribution among the personnel.

Table 2. Profit Distribution Allocation in Minang Restaurant

No	Post	Number of Personnel	Points Allocated	Total Points
1.	Manager	1	6	6
2.	Master Chef	1	5	5
3.	Assistants to Master Chef	3	2.5	7.5
4.	Food Palung Master	1	4	4
5.	Assistants to Food Palung Master	4	2.5	10
6.	Beverage Palung Master	1	3	3
7.	Assistants to Beverage Palung Master	2	2	4
8.	Service Master	1	3	3
9.	Assistants to Service Master	3	2	6
10.	Cashier, Head	1	3.25	3
11.	Assistant to Cashier	1	2.75	2
12.	Cleaning Master	1	2	2
13.	Assistants in Cleaning Master	3	1.5	4.5
		23		60

In the case of the above given Income Statement, where the 'employees' have the right to share 50% of the distributable profit, then every 'employee' will share the profit based on the following formula:

Manager = $(6/60) \times$ distributable profit

= $(6/60) \times$ Rp.131,625,000. = Rp. 13,162,500.00

Master Chef = $(5/60) \times$ Rp.131,625,000. = Rp. 10,968,750.00

Assistants to Master Chef = $(7.5/60) \times$ Rp.131,625,000. = Rp.16,453,125.00

Each of them will receive = Rp.16,453,125,000/3 persons = Rp.5,484,375.00

Table 3. Profit Sharing Calculation Based on Point Calculation in Minang Restaurant

No.	Post	Personel	Points	Total Points	Income Earned	
					by each personel	
1.	Manager	1	6	6	13,162,500	
2.	Master Chef	1	5	5	10,968,750	
3.	Assistants to Master Chef	3	2.5	7.5	16,453,125	5,483,375/person
4.	Food Palung Master	1	4	4	8,775,000	
5.	Assistants to Food Palung Master	4	2.5	10	21,937,500	5,483,375/person
6.	Beverage Palung Master	1	3	3	6,581,250	
7.	Assistants to Beverage Palung Master	2	2	4	8,775,000	4,387,500/person
8.	Service Master	1	3	3	6,581,250	
9.	Assistants to Service Master	3	2	6	13,162,500	4,387,500/person
10.	Cashier, Head	1	3.25	3	6,581,250	
11.	Assistant to Cashier	1	2.75	2	4,387,500	
12.	Cleaning Master	1	2	2	4,387,500	
13.	Assistants in Cleaning Master	3	1.5	4.5	9,871,875	3,290,625/person
		23		60	131,625,000	

The Basis of Profit Sharing

It is undeniable that everyone wants to be treated fairly. This is natural, indeed. A profit-sharing approach is promising this principle. Unlike the Western or conventional system, several things used to be determined in advance, as it is applied in terms of salary or wages. It is sometimes debatable in terms of fairness.

As explained in detail above, the RM Sederhana (SA) applies the profit-sharing system not only between the investors and Mr. Bustamam as the owner but also between management and all employees involved in the business operations. The RM Sederhana (SA) hardly states the term *Shariah* in its operating system, which includes

profit sharing, as alluded earlier. However, it is also hard to deny that the Shariah does not influence the system. Being a *Minangkabau* man, Bustamam must have been influenced by the system of life of the Padang people in general. It is commonly acknowledged that the Padang or *Minangkabau* society usually apply the Shariah in their daily life, as they frequently declare the adagio “*adat basandi syara’, syara’ basandi kitabullah*”, which means that their traditions are always based on the *Shariah* and the *Shariah* is based on the Holy Qur’an (Navis, 1986).

Bustamam once said there is no such scientific and or direct command from the *shariah* on how profit sharing should be applied, except to apply the principle as stated by the Quran (4: 29) “*an-taradhin minkum*”, which means that the business between two parties or more has to be applied based on the mutual consent of each party. This implies that no party should be placed lower or higher than others. Equality and egalitarianism have to be applied properly. As shown above, the profit-sharing system seems to apply this mutual consent approach. It has been practiced for many decades by the majority if not all, Padang or Minang Restaurants.

Competition

Competition is something natural, not only in business but also in the life of all creatures on the Earth. It can be seen almost anywhere, among business operators, human beings, or even among animals. From the beginning, RM Sederhana has been facing competition. Bustamam perceives this as something normal. Because of this, he also behaves naturally. He consistently believes that God Almighty will distribute His sustenance fairly, although in winning the competition some key points must be well understood and controlled. The rivalry in the restaurant industry is perhaps one of the most competitive in the world. It is simply because restaurants provide one basic need of the human being. The demand is always growing along with the population and economy growth. It is no wonder so many restaurants are established daily in all parts of the Earth.

Regarding RM Sederhana, many of Bustamam’s family members initially learned and then tried to establish the same restaurant, using the same concept and even the trademark or name that is RM Sederhana. However, this progress was eventually felt to be uncontrollable. Bustamam finally officially registered his business with the Government Agency (Ministry of Law and Human Rights). Since then, the trademark of “SA” always follows the “RM Sederhana”. The trademark is then legally owned and controlled by Bustamam. The official registration does not directly stop unfair competition. Still, many other “RM Sederhana” can be easily found in many places or cities in the country. However, fearing being sued in court, all of them have added the “other” word after “Sederhana”, like RM Sederhana Bintaro and RM Sederhana Lintau, to mention but few. This is why one can see three or four “RM Sederhana” operating nearby on a certain street in Jakarta.

It is indeed a dilemma for Bustamam. Those non-RM Sederhana (SA) restaurants directly absorb some of RM Sederhana’s (SA) customers. However, the owners of non-RM Sederhanas (SA) are also relatives of Bustamam. They are from the same village in West Sumatra or even have a blood relationship.

Facing this situation, Bustamam maintains his principles well. Besides the belief that God Almighty always fairly distributes His sustenance, the power of knowing and controlling the strengths of the restaurant is also important. The consistency of taste of the food and beverages is one of the key successes, according to him. This is why his wife plays a very significant role. Bustamam’s direct family members (led by his wife) control the purchase and processing of spices, whether bought locally or imported from overseas. The spices are then distributed to branches all over the country. Two other main key success factors are consistently reviewed. These are, firstly, service standard operations. These are the standard operating procedures used in serving customers. Secondly, the strategic location of the restaurants is reviewed. As can be seen, all RM Sederhanas (SA) are located in strategic areas favored by customers. This is also an important issue when a new restaurant is proposed.

Future developments, problems, and opportunities

It is undeniable that RM Sederhana (SA) has developed remarkably in the last few years. It is now the widest and largest Minang Restaurant chain in the country and the world. Some other Minang Restaurants tried to follow, or even to copy, the brand of RM Sederhana, with slight and blurred modifications, to gain indirect benefit due to customers’ limited knowledge or information. Mr. Bustamam is fully aware of this phenomenon.

Mr. Bustamam also fully recognizes that the demand to expand to wider networking is always coming, not only from within the country but also from overseas, such as other ASEAN countries or even the Middle East region like Saudi Arabia, Singapore, Kuala Lumpur, Jeddah, Makkah and Madinah, which are all cities with continuous and promising demand. However, the different systems and environment in each country have forced him to think more deeply about realizing these potential opportunities.

The capacity to control the important points of the business is the basic strategy used by Mr. Bustamam. The ‘taste’ of the food and beverages is undeniably one of the key points. This, however, depends on the ‘hands’ of the Master Chef. Bustamam has had no worries at all so far, as he always trains new potential Master Chefs as cadets. The cadets are always ready to be placed in the newly established branches. However, he also cannot deny the potential turnover of some cooks due to piracy practices by the competitors.

Conclusions

This study is relatively new, as no previous study has been conducted more specifically, yet comprehensive as it is done here. The case has shown vividly that Sharia or Islamic values offer not only an applicable, fair, and sustainable system of business. Yet, it is also beautiful and easy to be accepted by all parties, provided the basic principles, i.e., honesty and integrity, togetherness and joining commitment are agreed and strongly maintained. The RM Sederhana has proven that it grows widely in many cities in the country.

This case has also shown much uniqueness, which includes financing, business model, profit distribution, and relations among participating parties: investors, management, and “employees” or partners. All these principles are indeed derived from Islamic values. So many lessons can be learned from this case study, starting from the business philosophies or principles, marketing, business operations, finance, accounting, and human resources management. It is important to note that although Islamic terms are hardly used, most are derived from Islam and well implemented.

The case has proven the strengths of power sharing as one of the values offered by Islamic tenets and applied widely by Minang Restaurants throughout the country and overseas. This model is then possible or considerable to be implemented in other parts of the world. Although the case is about restaurants, other industries (including Islamic Financial Institutions) might also think to apply this model. This case has proven that the profit-sharing system is not only applicable for and in the financial institutions industry. The model applied by Minang restaurants in particulars has applied since a long time ago, without any “advertisements”. The research on this issue is also relatively limited.

Nothing is perfect except The Almighty Allah, the Creator and Owner of the world. This study is no exception. Although many aspects of Minang restaurants have been elaborated, many other questions are needed to answer; these include, for example, the sustainability of the system, the relationship between the system and the culture of a certain ethnicity, and the acceptability of the system by non-Minangkabau society. These issues and other related topics are interesting for further research. In addition, the implementation of a quantitative approach is also important to note since the qualitative ones dominated the previous researches.

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