

ABSTRACT

Industri Kecil Menengah (IKM) take central and strategic part in national economic development. Craft industry included to potential creative industry category which are developed directly because able to create value added by carrying idea compact with art (Depkop, 2011). At Yogyakarta there are many kind of craft industry, one of them which have high value art is art silver industry. Although function of IKM for people is big enough but there many problems that it have to faced.

Before determine appropriate strategy for development, we need to held research that identifying real condition at silver IKM. The research use Lean Assessment Tools and Participatory Action Research hoped can give input for development planning. Lean Assessment Tools is a method that help to investigate, evaluate and measure the condition of manufacturing. Whereas Participatory Action Research more focus on investigate internal and eksternal ability from manager.

From theconclution in each method known condition of the industry nowadays. Based on category which are identified than the area that have low achievement are team approach, maintenance, layout/handling, industrial environment, market and marketing, also management information system. By this achievement hoped can give input to arrange strategy for amelioration and development.

Keyword :IKM, Lean Assessment Tools, Participatory Action Research