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# The Role of Supply Chain in Measuring the Performance of Sari Kelapa Gresik SMEs

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#### INFO ARTIKEL Abstract

Keywords: Pudak is a traditional Gresik food. Pudak is also a souvenir for tourists visiting Gresik City. This has made Pudak SMEs continue to develop to this day. Sari Kelapa is one of the Gresik, Pudak, Supply well-known pudak-producing SMEs in Gresik Regency. Chain, SCOR Sari Kelapa is known to have a delicious taste and affordable price, so it is popular with many people. In producing peak, Sari Kelapa experienced problems, including delays in sending raw materials from suppliers and low peak production. Therefore, to overcome this problem, it is important to measure supply chain performance. The method used to measure pudak performance is SCOR (Supply Chain Operation Reference). The advantages of the SCOR method are that it can measure performance from upstream to downstream integrate business process reengineering, and benchmarking, and best practice analysis. However, this method has a weakness, namely that it is easier to measure performance if you have data for calculations. The research results show that performance measurement at Sari Kelapa SMEs is important in improving the company's supply chain performance .. Corresponden Author (\*) Author E-ISSN: 3026-0965 Email: dwinopvitaa@gmail.com <sup>1\*</sup> DOI :

## INTRODUCTION

Gresik is a city in East Java. Gresik is known as a city of Islamic students and an industrial city. The role of industry in Gresik is supported by large, medium, small to micro businesses. According to data from the Gresik Regency Central Statistics Agency in 2015, the total number of businesses was 159,424 units. The number of businesses includes 140,732 micro businesses, 17,508 small businesses, 1,184 medium businesses. Small and medium enterprises (SMEs) play an important role in economic growth and development (Ulfah, 2018). Currently, the MSMEs that are growing in Gresik are typical snacks, especially pudak. Pudak is a traditional Gresik food that has been around for a long time. Pudak was first made by Mrs Tjio in 1950. Pudak is made from rice flour, sugar, coconut milk and sago as a flavor variant and packaged using ope (Wijayanti et al., 2017). Ope is a pudak wrapper made from areca nut fronds shaped like a bag (Firdaus et al., 2022). Pudak is made by mixing rice flour, sugar and coconut milk, then the mixture is put into an ope package and steamed for 2 hours. The mature pudak is tied and then hung to make it last longer (Ismawati et al., 2009). Pudak has a sweet, slightly savory taste, a typical pudak fragrant aroma and a chewy, slightly crumbly texture. Pudak is sold for IDR 2,500 to IDR 5,000 per pack (Narto & Basuki, 2020). The delicious taste at an affordable price makes pudak a souvenir for tourists visiting Gresik City.

According to data from the Department of Cooperatives, Industry and Trade, the largest number of pudak centers are in Gresik District, Lumpur Village, namely 13 SMEs centers. One of the pudak SMEs that is well known to the people of Gresik is Sari Kelapa SMEs. Sari Kelapa is one of the Pudak SMEs located on Jl. Sindujoyo No. 2, Mud Village, Gresik District. Sari Kelapa sells various typical Gresik foods, especially pudak. Its strategic location makes it easy for consumers to find Sari Kelapa outlets. Sari Kelapa products are known to have a delicious taste and affordable prices so they are in great demand by consumers. In producing pudak, Sari Kelapa MSMEs still experience problems, including delays in sending raw materials and low production. This shows that supply chain management at Sari Kelapa SMEs is not running well. Supply Chain Management (SCM) is an approach to improving company performance by maintaining integrated excellence (Mutakin, 2011). Based on the conditions above, it is necessary to measure the supply chain performance of Pudak Sari Kelapa SMEs. This research aims to determine the role of the supply chain in measuring the performance of Sari Kelapa SMEs.

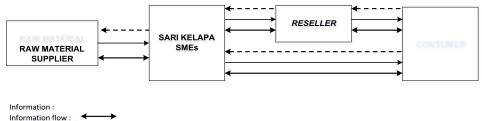
# **RESEARCH METHODS**

The method used in this research is SCOR (Supply Chain Operation Reference). SCOR is a model developed by the Supply Chain Council (SCC). SCOR is a systematic method that combines elements such as business techniques, benchmarking, and best practices to be applied in the supply chain to improve supply chain performance (Romanto et al., 2022). The information obtained is in the form of primary data obtained from interviews and direct observation which includes data on sales, inventory, finance, production, distribution, returns as well as secondary data obtained from several sources such as journals, books and articles which include company history, vision and mission, organizational structure. The data analysis carried out was qualitative descriptive analysis and supply chain management performance analysis.

# RESULT

A supply chain is a network of companies that simultaneously work together to produce and distribute products to final consumers (Fadhlullah et al., 2018). In the supply chain there are three flows, namely the flow of information, materials and money. This flow must be managed to maintain company sustainability (Mutakin, 2011). SCM is a method used to integrate a company's business processes from purchasing raw materials to distribution of finished goods (Wigati et al., 2017). In producing pudak, SMEs Sari Kelapa Gresik involves various parties including raw material suppliers, SMEs Sari Kelapa, resellers and

consumers. The supply chain flow of Sari Kelapa SMEs starts from the SMEs purchasing raw materials from suppliers, then the raw materials are stored in the storage warehouse and then the production process is carried out. Finished products will be distributed to consumers directly or through resellers. In the supply chain there are three flows that occur, namely information flow, material flow and money flow. The supply chain flow pattern of Sari Kelapa MSMEs can be seen in Picture 1.



Material flow :

Figure 1. Sari Kelapa SMEs supply chain flow pattern

## DISCUSSION

Supply Chain Management (SCM) is a social network consisting of suppliers, manufacturers, distribution, retail outlets and customers (Harahap et al., 2022). To determine the success of SCM in a company, it is necessary to measure performance so that you can determine the effectiveness of the activities carried out (Padillah et al., 2016). Performance measurement is a control tool that includes implementation and evaluation of employee performance and company operations (Audina et al., 2017). The purpose of measuring company performance is to find out how big and effective the activities carried out in carrying out work (Syahputra et al., 2022). The SCOR method is able to measure company activities from upstream to downstream and is able to measure the company's internal and external performance (Zuraidah et al., 2021).

Figure 1. shows the Sari Kelapa MSME supply chain from upstream to downstream. Where there are suppliers, manufacturers, resellers and consumers who work together to distribute products to consumers (Sucahyowati, 2011). Suppliers are parties who provide relatively large quantities of products for resale by small entrepreneurs or traders (Pebakirang et al., 2017). Sari Kelapa SMEs in meeting the needs of raw materials for pudak collaborates with several suppliers, including rice raw materials obtained from PT. ABC, Coconut was obtained from supplier X, sugar was obtained from AD shop, sago was obtained from HJ shop, ope packaging is obtained from supplier Y. Manufacturing is an industry that converts raw materials into finished products that are ready to be marketed using sophisticated equipment and measurable management programs (Anaam et al., 2022). The manufacturing in question is Sari Kelapa SMEs, where UMKM Sari Kelapa converts raw materials into pudak products and markets them. Resellers are traders who take goods from sellers and resell them at a higher price (Damayanti, 2020). Resellers at Sari Kelapa UMKM include shop R, shop S, and shop P. These resellers resell Sari Kelapa SMEs pudak products on the outskirts of Jl. Veteran, Gresik with higher prices. Consumers are people or organizations who buy or use products or services from business actors (Nisantika & Maharani, 2021). Consumers at Sari Kelapa SMEs are Gresik residents or tourists who buy pudak products.

In the supply chain there are also three flows that occur, namely the flow of material, money and information. The flow of goods moves from upstream to downstream (Mizani & Azis, 2021). The flow of goods at Sari Kelapa SMEs starts from supplier to manufacturer, manufacturer to consumer directly, manufacturer to reseller, reseller to consumer. Money flow is the movement of costs for products or services that occurs at each party in the supply chain (Sabila et al., 2022). The flow of money in Sari Kelapa SMEs flows from manufacturers to suppliers, resellers to manufacturers, consumers to manufacturers, consumers to resellers, Information flow is information that flows from upstream to downstream or from downstream to upstream. Information flow includes demand predictions, number of requests and transaction reports (Mizani & Azis, 2021). Performance measurement is needed as an approach to improve supply chain performance to face competition. The maximum increase in performance lies in the company's business processes being able to integrate all the components involved. Achieving competitive success is not only determined by company performance, all business processes involved will certainly support in facing business competition (Zuraidah et al., 2021). In this way, the supply chain plays an important role in measuring company performance.

# CONCLUSION

The results of this research state that performance measurement is carried out to find out how effective the activities carried out are in carrying out work. Performance measurement is carried out from upstream to downstream. The Sari Kelapa SMEs supply chain starts from suppliers, manufacturers, resellers and consumers and there are three flows that occur in it. In this way, the supply chain plays an important role in measuring performance, where maximum performance increases lie in business processes that are able to integrate all parties involved.

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