
Solving Problem Supply Chain In Micro Small And Medium Enterprises With Supply Chain Management

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ABSTRACT

Purpose: The purpose of this paper is to analyze the effectiveness of the Supply Chain Management implemented by a micro small and medium enterprises in Indonesia.

Design/methodology/approach: This research is conducted by applying Library Research or literate review.

Findings: The results then will be advised to the owner to improve the existing supply chain management.

Research limitations/implications: The results then will be advised to the owner to improve the existing supply chain management.

Practical implications: The results then will be advised to the owner to improve the existing supply chain management.

Originality/value: Supply Chain Management (SCM) is the management of a supply chain activities to maximize customer value and achieve a sustainable competitive advantage. It acts as a strategic competitive tool for the micro small and medium enterprises that made the issue of logistics as a strategy to compete to be able to win the market competition.

Paper type: Research paper

Keyword: Supply Chain, Supply Chain Management (SCM), micro small and medium enterprises

1. INTRODUCTION

1. Supply Chain Management

Although Supply chain have existed since businesses commenced, the value of supply chain management has only surfaced most recently, but it has become an integral part of a business. Supply chain management, abbreviated SCM, is the process of arranging and organizing a business's supply and inventory activities to utilize maximum value and gain. Suppliers develop techniques utilizing technology and business knowledge to implement on their business handling and purchase-sales, processes to create an economical efficient system.

Supply chain management provides a way to efficiently manage a business from the beginning of production till the delivering the product to end users, and including the processes handled in between, Such as product development, and information systems.

Supply chain management is usually referred to as the link between the production and distribution of a project. SCM provides an economical efficiency by cutting unnecessary costs yet maintaining product value and customer satisfaction.

2. SCM processes

It is considered essential to most businesses to develop the supply chain process through SCM for many reasons other than cutting unnecessary costs. Analyzing the market status que, it is evident that the business market is customer oriented. To maintain customer satisfaction the business must attain to a certain level of service provided. the activities which fall within the supply chain management include the following: The product, if terms apply, must be fashioned as per the desired quality, assorted as the described quantity, available for purchase as per quantified and described, delivered or picked up on time, serviced, maintained or followed up as per contract. This is why SCM is described as the 'link' between production and distribution. These steps are described in the SCM processes: planning, procurement, production, distribution, and customer interface.

3. SCM implications

If the SCM was developed and implemented successfully and the processes were carried out smoothly in a business the reward is an increase in the profit leverage, mainly attributed to cutting unnecessary costs and increasing sales. Also, as results of successful SCM, increasing profit leverage and increasing sales generates cash income, which improves the business financial position.

4. SCM principles

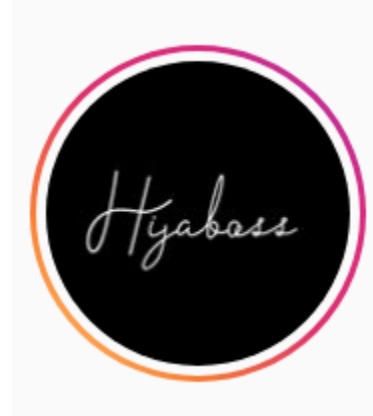
A research was conducted by manufacturers, distributors and retailers in the field of supply chain management more than ten years ago. The research concluded general principle in SCM which are widely recognized by SCM professionals as the “seven principles of SCM”. These principles are:

- **“Principle 1:** Segment customers based on the service needs of distinct groups and adapt the supply chain to serve these segments profitably.
- **Principle 2:** Customize the logistics network to the service requirements and profitability of customer segments.
- **Principle 3:** Listen to market signals and align demand planning accordingly across the supply chain, ensuring consistent forecasts and optimal resource allocation.
- **Principle 4:** Differentiate product closer to the customer and speed conversation across the supply chain.
- **Principle 5:** Manage sources of supply strategically to reduce the total cost of owning materials and services.
- **Principle 6:** Develop a supply chain-wide technology strategy that supports multiple levels of decision making and gives clear view of the flow of products, services, and information.
- **Principle 7:** Adopt channel-spanning performance measures to gauge collective success in reaching the end-user effectively and efficiently.”¹

5. About The Company

Hijaboss was founded on 27 December 2017, founded by Faridah Saraswati. Starting from dropship in tokopedia, to become micro small and medium enterprise. Hijaboss is a micro small and medium enterprise engaged in the field of textiles, and in the field of female Muslim fashion. Hijaboss uses the supply chain in its business processes.

For now Hijaboss only produce Muslim women hijab products. For that matter, Hijaboss works closely with fabric distributors for products in production. Hijaboss worked with several tailors to work on the fabrics.



6. Product

Hijaboss currently only produces female Muslim hijab. There are several types of products offered, the following are the hijaboss products:



FLASH SALE 99.000 DAPET 5 PCS

Rp. 99.000



Linen Rubiah

Rp. 65.000



Laudya Square Dark Silver

~~Rp. 60.000~~

Rp. 35.000



Laudya Square Silver

~~Rp. 60.000~~

Rp. 35.000

7. Marketing Strategy

Marketing system at Hijaboss refers to 4P (the concept of marketing mix), namely product, price, promotion, and place.

a. Product

Hijaboss produces Muslim women's fashion. For now, Hijaboss only produces Hijab products. Hijaboss products are guaranteed quality

b. Price (price)

Price is very influential in the fashion industry of Muslim women in Indonesia. Hijaboss has a price that competes with other companies that produce the same product. Hijaboss sets the middle-market share down.

c. Promotion (promotion)

For promotion, Hijaboss uses online media in the form of Instagram and Hijaboss has official website. In the official website there are catalogs of products that are produced.

d. Place (place and product distribution)

For now, production activities are done at home. For product distribution, Hijaboss has several resellers that accommodate its products.

8. SCM (Supply Chain Management) Hijaboss

Hijaboss takes raw material (fabric) from several fabric sellers. Then the fabric is processed on a tailor who has worked with the Hijaboss. After the products have been completed, the products

are distributed to distributors (resellers) who are already working with Hijaboss. In addition to distributed to distributors, the company also sells its own products using via online media and conduct exhibitions. But there is a problem from the company side. For now, distributors are limited in the same city as the company

9. SCM Constraints & Solutions

Although Hijaboss is well known by some circles, there is still a problem in supply chain management. It is the scope of the coverage area for the distributor. For now, hijaboss only supplies products for within the same city. the best solution we can give to the company is the company must open themselves to the wider market development. The company will not increase if only rely on distributors in the same city. Hijaboss must cooperate with several distributors outside the city.

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