



Improving Supply Chain Management for Competitive Startup Business Development in Pulung Ponorogo District

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Article Info	Abstract
<p>Article history: Received June 7, 2023 Revised July 1, 2023 Accepted August 27, 2023 Available online September 15, 2023</p> <p>*Corresponding author email: nandasyafa61@gmail.com Phone number: 082141506690</p> <p>Keywords: <i>Supply Chain Management, startup business, competitiveness.</i></p>	<p>This study aims to determine Supply Chain Management for Competitive Startup Business Development in Pulung Ponorogo District. The method used in this research is a qualitative method with a descriptive approach. Data collection techniques carried out in this study used interviews, observation and documentation. The results of this study indicate that based on an analysis of the aspects of chain objectives, supply chain structure, supply chain management and chain resources, it is obtained that supply chain management performance for startup business owners is not optimal and with good supply chain management performance analysis it can optimize supply for startup businesses in Pulung Ponorogo District. It is felt that business owners are still experiencing various problems in terms of the process of fulfilling raw materials, demand, use of resources and information, finance, quality, knowledge.</p>
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INTRODUCTION

Indonesia's economic growth is extraordinary to date so that various reforms have sprung up to continue to realize an improving economy. Every business actor must be observant in carrying out his business strategy in order to compete with existing competition to realize the desire to be good. Future goals and objectives must be accurately reflected in the implemented plan. A company controlled by business actors aims to attract customers who will be able to buy and maybe even enjoy a given product. The purpose of starting a business is to generate profits needed by business actors. Every company that wants to succeed must have an effective management system. Business managers must develop innovative methods to control the flow

of products and information due to fierce competition. The shift in management perspective has resulted in changes in the company's management system, which now focuses not only on the integration of internal processes and company quality, but also the integration of internal and external processes. The implementation of supply chain management is essential to improve the ability of commercial organizations to compete. Supply Chain Management (SCM) is a competitive approach to connecting businesses with suppliers and distributors (Radhi and Hariningsih n.d.)

Operations management is a type of management that plays an important role in business. This operational management leads to the process of supervising all aspects of the manufacturing process, such as human resources, goods, machinery, equipment, raw materials and others, in order to develop a variety of goods and services that function operationally in running the company. Supply chain management is the development of operational management in business. A business's supply chain management is critical to its operations. Supply chain management is a step in increasing supply chain productivity by optimizing the flow of time, location, and quantity of materials. All business activities require coordination between different supply chains to produce products that can meet customer expectations. Operational management is carried out starting from the stage of process integration in the procurement of goods and services, transformation into semi-finished goods, and distribution to customers. Supply chain management is implemented with the hope that it will provide excellent opportunities for business actors to build competitive advantage (Fidiasari and Handayani 2022).

The startup business must be able to satisfy clients in terms of product quality, price, accuracy, and speed of delivery. The startup business must also have distinctive goods and productive customer and supplier relationships. Business actors also play a significant influence in the supply chain. Companies can improve efficiency, operational agility, and flexibility by putting in place strong supply chains (Oleh 2020).

Regarding product development, this is inseparable from the business function in maintaining competitiveness in the face of increasing commercial competition. On the other hand, it has advantages and disadvantages in running its business. The strength of startup business in general is the freedom to align products with demand, while weaknesses include lack of special personnel, limited capital in development, and difficulty finding qualified personnel. Startup businesses face common obstacles such as lack of money, marketing challenges, fierce business competition, difficulties of raw materials, production techniques and expertise, lack of managerial skills (HR), and lack of financial management and accounting knowledge. Startup business constraints must be considered. In addition, startup businesses need innovation to grow and survive. However, considering the limited number of workers, the number of assets, the amount of income, and the amount of budget to innovate, the innovation in question must be adjusted to existing constraints (Rosni and Santoso 2019).

A startup business is a business that has just started operating. These businesses, most of which are new startups, are now in the development and research stages to identify the ideal market. Founders and managers of 500 startup companies define a business startup as a company that has not yet identified its target market, product line, or distribution methods. There are opinions that can be used as a basis for identification, but there is no agency or agreement governing whether a company can be considered a startup or not. (Nainggolan 2019)

Startup businesses must improve their supply chain performance in the face of globalization and an increasingly competitive business climate. This is because startup business is one of the economic drivers. In addition, business owners play an important role in economic progress in underdeveloped countries because starting a business can create jobs and provide support for larger companies. Start-up businesses must identify their supply chains to increase capacity, capability, and performance. Start-ups can improve efficiency and build their own supply chains by defining their supply chains first.

One of the limitations in developing a startup business is that the supply chain used in startup companies has not been adequately developed. This is due to the fact that supply chain applications are still geared towards large enterprises. Therefore, the purpose of this study is to discover how supply chain applications work and how to improve supply chain management in start-up organizations in Pulung Ponorogo District.

METHOD

This research was conducted by directly visiting the location to collect important data (Lexy J Moleong 2017). In this case, data in start-up business owners related to the process of improving supply chain management. This type of research is qualitative with descriptive analysis, which is the collection of data in the form of words, images, and not numbers (Herdiansyah 2014).

Primary data is information collected from primary sources through procedures and means of data collection such as observation, interviews, and using special instruments for the purpose. The acquisition of primary data in this study was conducted through interviews with startup business owners in Pulung Ponorogo District (Lexy J Moleong 2017).

The secondary data is data obtained from the second source (Sarwono 2006). Secondary data or second-hand data is that researchers get data indirectly from research subjects through other parties. Secondary data sources, often known as second-hand data, are information gathered from materials and publications related to the topic under study.

The practice of collecting information by asking direct questions to respondents focused on specific people is known as interviews. Interviews were conducted with start-up business owners who are part of supply chain management organizers (Gunawan 2013). It is data obtained by careful observation and recording of data under consideration, in this case researchers make observations of novice business owners in improving supply chain management in order to

develop their business and increase their competitiveness (Basrowi and Suwandi 2008). This approach is used to collect data in writing, such as notes, transcripts, archives, papers, and books on ideas (doctrines), theories, debates, or laws, as well as others related to research difficulties (Umar 2000).

Data analysis is an attempt to work with data (Lexy J Moleong 2017). The data analysis strategy used in this study is a qualitative descriptive method with labgkah, which first collects data then matches it with the problem under study, and then categorizes it into data relevant to the function of startup business owners in improving supply chain management. The data is then analyzed descriptively and qualitatively, namely by describing, describing, and explaining clearly all existing problems, and the explanation is collected in conclusions in the form of general statements and then special conclusions are drawn, so that the presentation can be understood easily and clearly.

RESULT AND DISCUSSION

Analysis of startup business supply chain management in Pulung Ponorogo District

The level of performance of the supply chain indicates the level of success. As a result, to optimize the supply chain network, a performance measurement system is needed (Indriani et al. 2019). Business owners are still experiencing various problems in terms of the process of fulfilling raw materials, demand, use of resources and information, finance, quality, knowledge etc. The use of supply chain management demands a complete understanding of every process that occurs in the chain because decision making has a significant impact on the success of increasing its effectiveness and efficiency. Improvements to minimize the problems faced by startup business owners need to be done to improve their business performance.

The latest steps in implementing startup business supply chain management can be described as follows:

1. Planning

Planning is carried out at the beginning, before the purchase of the materials used. According to Wijayanto (2012), planning activities must be carried out at the right time, and the duration of linkages required for the implementation of activities/programs must be considered (Wijayanto 2012). According to T Hani Handoko planning as the selection of a series of activities followed by the choice of what to do, when, how, and by whom (Handoko 2015). Planners cannot anticipate the future, but they can work to detect and avoid current behaviors and expected consequences that will affect the future. One of the main objectives of planning is to establish how existing programs and discoveries can be used to increase the likelihood of achieving future goals, especially to encourage better decision making (Handoko 2015).

The planning process has been carried out well, both from the business owner himself and the existing workers. The planning stage of raw materials for food startup business owners

such as tofu, tempeh, etc., which will be used is also carried out selection or checking before production starts. This approach is applied with the aim of minimizing the company's losses in order to maximize profits. This statement is in line with the views of Wheelen and Hunger (2003), as stated by Lisa Aprilianingsih in their research, that a management strategy must be formed in a company so that it can be used to overcome the difficulties that arise. An excellent management plan is required to support the company's manufacturing activities (Aprilianingsih, Ekowati, and Nurfadillah 2022).

2. Organizing

The implementation of the organizing management function for startup business owners in Pulung sub-district already has an organizational structure although not formally. This organizational structure was created with the aim of enabling coordination, execution, and accountability in each sector to suit their respective roles and obligations. According to T Hani Handoko, organizing is a process of designing a formal framework to combine, organize, and distribute responsibilities or manpower among individuals so that the organization can be achieved efficiently (Handoko 2015). Organizing each field in food production activities is related to the procurement of raw materials, production, frying and packaging. As for startup businesses in the furniture business do not use organizing (Wahyuni 2023).

3. Actuating

Some startup business owners in the implementation of their business activities are carried out according to pre-planned guidelines, but some carry out in a flowing manner looking at the situations and conditions that occur. The involvement of a business owner is also needed in the implementation of actuating in the company to improve staff performance so that the organization can achieve its goals (Wawancara 2023).

4. Controlling

The implementation of the controlling management function in startup business owners is by conducting supervision and is carried out by racing on existing provisions. This is in accordance with Roni Angger Aditama that In an organization, supervision is a follow-up function of previous activities that require control to guarantee that everything is done in accordance with relevant standards and norms (Aditama 2020).

At the core of supply chain management is performance management and continuous improvement. A system is needed to assess and analyze the overall performance of the supply chain in order to produce effective performance management. If performance measurement is carried out, it will be known to increase or decrease and improve the company's performance condition. This is important for any company looking to meet both long- and short-term goals ranging from finance to productivity and product lifecycle quality.

Based on observations and interviews in improving the supply chain, startup business owners do the following:

Make a plan based on requests

The ideal supply chain performance improvement approach is to respond to demand rather than create or manage it. Some startup company owners have set goals and strategies to follow the existing plan (Wawancara 2023). They then set time frames, goals, and objectives. Planning to meet this demand begins with studying past period sales data. Then, make a list of things you want to get done next. It will be more organized and run according to the plan that has been laid out.

Transparent

As a businessman who has just started a business, he has implemented a transparency system because by increasing transparency, supply chain performance will also increase. By implementing transparency in running a business, it will not provide corridors and space for fraud, lies and exploitation in all its forms.

Good relationship with partners

An important indicator of business success is the state of good relations with the company's suppliers. This good relationship must be maintained and strengthened. Business owners startup establishing cooperation with these partners is realized by building two-way communication between sellers and buyers. By implementing a good connection with its partners can affect the ease of transactions, the performance of each party, and problem resolution.

The steps in measuring the implementation of the supply chain management of startup companies in Pulung District are as follows:

Chain Target

Startup business owners are businesses that have just started operating. These businesses, most of which are new startups, are now in the development stage. This startup business aims to market the products produced to the entire wider community. Based on samples of several processed food, pottery and agricultural product startup businesses in Pulung District, the target market determined by business owners is surrounding consumers, markets and also household targets. However, this target has not been fully met because they are still just starting their business. The target of supply chain development for startup business owners in Pulung Ponorogo District that will be targeted includes strengthening their supply chain with some business owners implementing sustainable partnerships. Other forms of cooperation between producers, distributors, retailers, and consumers continue to be pursued with the aim of boosting production capacity (Wawancara 2023).

Supply Chain Structure

The supply chain structure of startup business owners in Pulung Ponorogo sub-district is influenced by various factors including supply chain actors, the characteristics of the products produced, the distance between on-farm and the market and the role of each supply chain actor. One example of discussing the supply chain structure in this startup business researchers took

one of the startup businesses, namely tofu entrepreneurs in Pulung sub-district, the structure between supply chains in the tofu startup business consists of several supply chain members such as soybean agents, business owners themselves and then distributed to consumers.

Supply Chain Management

Based on the interview results, not all startup business owners implement supply chain management due to their ignorance, but there are also startup business owners whose activities are carried out using a good supply chain management system. Based on information obtained by researchers to the pottery sales startup business in supplying raw materials, business owners take it to one of the wholesale stores in Ponorogo at a lower price as a supplier and pottery as a material to be sold again. In this business, a cooperation contract is carried out with both parties directly verbally agreeing on a cooperation agreement, and this agreement is implemented based on the principle of trust (trust maintains commitment between parties), a sense of interdependence and mutual need for each other. The payment system at the agent level is carried out directly when purchasing raw goods (Wawancara 2023).

Sumber Daya Rantai

Physical resources controlled by start-up company owners include manufacturing and marketing facilities and infrastructure, as well as mobile phones, stationery, records, vehicles, production machines for snack processed startup businesses and for tofu and tempeh businesses modified by the owners themselves, as well as other supporting facilities and infrastructure. Based on the results of an interview with Mrs. Sri her, some pottery startup business owners already have human resources or 1 worker. As for capital resources, it can be said to be good because there is additional capital from the bank (Wahyuni 2023).

The research was conducted on community-owned startup business owners in Pulung District. The respondents interviewed were business owners so they mastered the production process to the hands of consumers. Based on the results of interviews that are then analyzed by researchers to improve supply chain management, there should be a large effort and strong understanding that must be owned by startup business owners.

CONCLUSION

Of course, the ultimate goal of supply chain management is to enable businesses to choose and implement strategies that generate competitive advantage. The competitiveness of the enterprise may be temporary or long-term. Because the company is still in its early stages, new companies are still doubtful to develop competitiveness and need to improve knowledge related to the implementation of supply chain management. The performance of supply chain management in startup business owners is also not optimal and with a good supply chain management performance analysis, they can find out the shortcomings in their business and then improve it to optimize supply in startup businesses in Pulung Ponorogo District.

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