



Building a Supply Chain and Relationship Quality Strategy Study on PT. Wiraswasta Gemilang Indonesia

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ABSTRACT

Supply chain management is generally a series of activities that include planning, managing, and product activation. PT. Wiraswasta Gemilang Indonesia's focus is analyzing supply chain management (SCM) planning, supplier identification, and the goods delivery process. This research used 9 respondents with a descriptive qualitative pattern. The data aggregation methods are observation, interviews, documentation, and triangulation. The analysis used to answer research questions and formulate problems is data aggregation, data degradation, data presentation, and conclusion drawing/verification. The research results fall into the categories of superior quality products, competitive prices, trusted sales companies, creative locations, time and cost savings. This will maintain a competitive advantage and maintain the quality of relationships at PT. Wiraswasta Gemilang Indonesia.

Keywords: Determination of Suppliers, Distribution Logistics, and SCM Planning.

1. INTRODUCTION

Increasing business competition forces companies to change their strategies and operations every day. Amit (2010) states that competition is very tight in terms of whether a company can produce a product or service cheaper, better, and faster than its competitors. One important aspect of company operations is selecting the right supplier. The decision to choose a supplier has a significant impact on company performance. Thus, the purpose of this research is to carry out a critical analysis of vendor decisions in selecting suppliers.

Suppliers are more important stakeholders in a manufacturer's success than any other company, and all companies depend on other companies for product and service levels to support their ability to serve customers. Suppliers are very supportive of the production process; The quality of the goods from the supplier determines whether the value of the final commodity sold by the vendor to the client is good or not, and the price of the supplier greatly influences the cost of making the product. "And suppliers must be able to anticipate competitors who are trying to imitate, duplicate or beat rivals in various differentiation variables that produce competitive advantages" David (2011).

In the supply chain concept, a very important link in the chain influences the survival of a factory. Suppliers are parties who provide raw materials to factories. If the supplier does not fulfill the factory's raw material needs responsibly, it will cause quite serious problems, one of which is out of stock or delivery time which will certainly be detrimental to the factory. "For this reason, companies that have many suppliers must be selective in choosing their suppliers" Suciadi (2013). Vendor decisions in selecting suppliers include an understanding of the importance of the relationship between vendors and suppliers in the context of the supply chain. In a competitive business environment, selecting the right supplier can have a significant impact on the success of a company. This involves an in-depth analysis of aspects such as the quality of the product or service offered, price, reliability, reputation, compliance with certain standards or regulations, technical capabilities, operational scale, environmental sustainability, as well as other factors that may influence the relationship between vendors and suppliers.

In the digital era, the application of information and communication technology has changed the way businesses operate, including supplier selection. A system is a combination of elements that interact, interact and depend on each other, thus creating their respective goals Boell and Cecez-Kecmanovic (2015). Data is information that is processed into a model that will be useful for other users and *decision-makers* now and in the future (Meijer, 2013). Information systems are tools that teach and present important information to their users (Meijer, 2013). Utilizing accurate data and analysis can help vendors choose suppliers that best suit their needs and business goals. As well as providing practical guidance for vendors in optimizing the decision-making process in selecting suppliers, so as to increase operational efficiency, service quality, and overall supply chain sustainability.

Previous research by Jamaludin (2022) found that the process of determining suppliers through collaboration between single agents holding brands through the process of selling original spare parts was able to help the sales process. Rosyid & Nurhidayat (2021) show that there are still problems with

agility performance habits or facing unpredictable changes in business needs, and in terms of asset management, companies still fail to manage existing company assets to increase customer satisfaction. Nabila, Lubis, and Aisyah (2022) found that coffee logistics distribution went well in supporting coffee sent by farmers because there were no delays in delivery and the quality of the coffee. Customers rate it highly because they get the best coffee and there is a guarantee that the taste will not change. Balher, Jan, and Karuntu (2022) show: (1) Products start from producers/farmers – small traders – consumers. (2) The flow of products, the flow of resources and the flow of information in the egg production process in Papaklan Village, Minahasa Regency are very good because there are good relationships and cooperation between the working community. (3) The problem caused by egg farmers in Papaklan village, Minahasa district is the damage to the road from the farm to the main road. This can cause the eggs to crack or break easily.

Jamaludin (2021) in this research proves that the supply chain management strategy used by SMEs is that the largest percentage uses 1 supplier for 1 raw material and *can* make the integration of suppliers, manufacturing (production process), warehouse, and storage of goods produced more effective and distributed at the right time, in the right quantity, minimizing costs and providing satisfactory services to consumers. Taula, Palendeng & Sumarauw (2023) found that the UD pork supply chain process. Unggas Jaya Kalasey is very influenced by the role of butchers.

Jamaludin (2021) found that there is a positive and significant influence on business communication, *and* alliance strategy on supply chain management performance is a simultaneous influence. Meanwhile, the influence of business communication or alliance strategy on supply chain management performance is *partial* and there is a positive and significant influence.

Leppe & Karuntu (2019) suggest that domestic tofu industry supply chain players in Bahu Village must develop and improve the quality and model of cooperative relationships between supply chains, as well as implement innovative developments in production processes and facilities so that they can develop their capabilities. supply chain structure through expanding their potential market area.

Jamaludin (2021) found that environmentally friendly human resource management has a positive and significant impact on increasing food supply and improving business performance. Islam & Qamari (2020) show that supply chain management has a relevant positive impact on competitive quality and business performance. Manambing, Tumade & Sumarauw (2014) show that the distribution of materials to stores coordinates with the original spare parts sales process to contribute to driving the sales process.

Table 1

Number of Suppliers and Used Oil Waste PT. Wiraswasta Gemilang Indonesia 2020 – 2022

Waste Generator	<i>Changes in the Number of Suppliers and Used Oil Waste</i>									
	2020		2021		Change		2022		Change	
	Number of Producers	Vol. Oil (Tons)	Number of Producers	Vol. Oil (Tons)	Number of Producers (%)	Vol. Oil (Tons)	Number of Producers	Vol. Oil (Tons)	Number of Producers (%)	Vol. Oil (Tons)
Workshop	500	432	700	576	40	33,3	900	720	28,5	25
Company	200	144	350	210	75	45,8	700	330	100	57,1
Total/Average	700	576	1050	786	77,5	56,2	1600	1050	78,5	53,55

Source: PT Wiraswasta Gemilang Indonesia Internal Audit Data 2020-2022

Based on Table 1.1, seeing that the number of suppliers is increasing from year to year, in 2021 the number of workshop waste producers experienced an increase of 40%, namely in 2020 there were 500 workshop suppliers, then there was an increase in 2021 to 700 workshop suppliers, then from producers workshop waste for oil volume has increased by 33.3%, namely in 2020 there were 432 tonnes of oil volume then increased in 2021 to 576 tonnes of oil volume.

In 2021, the number of company waste producers experienced an increase in the number of suppliers by 75%, in 2020 there were 200 company suppliers, then this increased in 2021 to 350 company suppliers, then from company waste producers the oil volume increased by 45.8%, namely in 2021. In 2020 there was 144 tons of oil volume, then this increased in 2021 to 210 tons of oil volume.

In 2022, the number of suppliers producing workshop waste will increase by 28.5%, in 2021 there will be 700 workshop suppliers, then this will increase in 2021 to 900 workshop suppliers, then from producing workshop waste the oil volume will increase by 25%, namely in 2021. In 2021 there was 576 tons of oil volume, then this increased in 2022 to 720 tons of oil volume.

In 2022, the number of company waste producers experienced an increase in the number of suppliers by 100%, namely in 2021 there were 350 company suppliers, then this increased in 2022 to 700 company suppliers, then from company waste producers the oil volume increased by 57.1%, namely in 2022. In 2021 there was 21 tons of oil volume, then it increased in 2022 to 330 tons of oil volume. So the number of producers over 3 years has increased by 52%, while the oil volume has increased by 36.5%.

Based on the data in Table 1.1, shows that the percentage of used lubricants in the process of procuring goods and services or the supply chain process has decreased in 2022, namely 53.55% from the previous year 2021 of 56.20%. This has an impact on the process of procuring new goods being delayed.

Research purposes

This research aims to create a model that can explain the factors that influence superior performance in companies and determine the determining factors in improving the quality of relationships with suppliers.

2. LITERATURE REVIEW

PT. Wiraswasta Gemilang Indonesia became the first and largest lubricant factory in Indonesia, pioneering the local energy filtering movement to increase environmental awareness of the latest energy base and focus on the quality of lubricant management that meets international benchmarks. As the number of suppliers increases, intelligent management is certainly needed so that service quality can compete internationally. This research complements previous research which was incomplete, in the research of Taula, Palendeng & Sumarauw (2023) in UD. Unggas Jaya Kalasey pork supply depends on the performance of the butcher and research from Leppe & Karuntu (2019) shows that the business partners of Rumah Tahu Desa Bahu should develop and improve the quality and standards of cooperation between supply chains, make new improvements to production processes and facilities, thus creating a chain model that expands the market area. Both studies only identify the company's resources and capabilities. In this research, researchers will identify resources, capabilities, competitive advantages, and supply chains so that they will produce a superior strategy against competing companies.

Resource-Based Theory Approach

The Resource Based Theory approach analyzes, evaluates, and explores competitive strategies at PT. Wiraswasta Gemilang Indonesia. This approach includes internal and external resources owned by the company, shows that the company has resources and capabilities that other companies do not have, and brings valuable value to the company itself.

Network Theory Approach

A Network Theory approach is used to gain a more holistic insight into how the used oil supply chain operates and how all the entities in the network are interconnected. This can help PT. Wiraswasta Gemilang Indonesia identify collaboration opportunities, manage risks, increase efficiency, and create added value throughout the supply chain.

3. RESEARCH METHODOLOGY

The research location is at PT. Wiraswasta Gemilang Indonesia and the research time is September to November 2023, the research method uses qualitative research with phenomenology. Phenomenological research falls into the definitional paradigm. Data obtained from in-depth interviews can be analyzed. In this case, Phenomenological Analysis (IPA) is used in the data analysis method. Interpretative phenomenological analysis (IPA) is qualitative research in psychology that aims to understand how people understand certain events in certain contexts (Smith, 2009). Phenomenological research is concerned with the qualitative and careful analysis of people's conscious experiences. The basic concept of phenomenology is meaning. Meaning is the main content created by human experience. Awareness of the importance of mindfulness is deep and clear (Smith, 2009)

The determination of informants is determined based on the parties directly involved in the design of supply chain management at PT. Wiraswasta Gemilang Indonesia, namely 4 (four) internal parties from PT. Wiraswasta Gemilang Indonesia or what is usually referred to as vendors, as well as 5 (five) external parties from PT. Wiraswasta Gemilang Indonesia or what is usually referred to as a supplier. This research uses observation, interviews, recording, and triangulation techniques.

4. ANALYSIS AND DISCUSSION RESULTS

In terms of transporting used lubricants, according to Mark Moore (1995), organizations have three strategies that can be applied. Efforts to overcome obstacles in maintaining supply chain stability carried out by PT. Wiraswasta Gemilang Indonesia are as follows:

a. Technology Strategy

In the technology strategy of PT. Wiraswasta Gemilang Indonesia implements online-based services, such as correspondence using email. Then PT. Wiraswasta Gemilang Indonesia in monitoring the movement of B3 waste management activities has used electronic manifests. So that the effectiveness and efficiency of submitting reports or copies of hazardous waste management reports from those responsible for the business starting from storage, transportation, utilization to testing of hazardous waste is systematically arranged.

b. Innovation Strategy

In minimizing fraud in the transfer of used lubricant waste, PT. Wiraswasta Gemilang Indonesia is making efforts through an innovation strategy in the form of digitizing services in the form of an online manifest (SIRAJA Application).

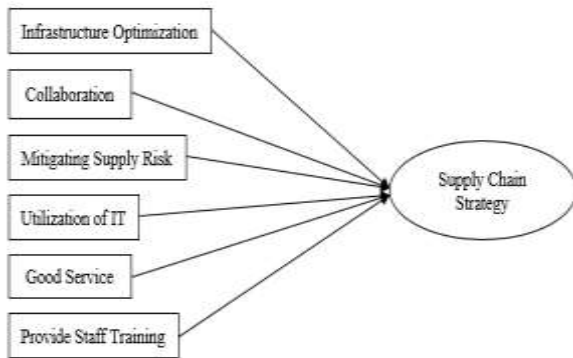
c. Operations Strategy

For the used lubricant management process PT. Wiraswasta Gemilang Indonesia makes every effort to utilize the facilities and infrastructure it has, such as pick-ups and jacking machines. Then to improve good service PT. Wiraswasta Gemilang Indonesia collaborates and trains staff to improve worker competency.

In implementing used lubricant transportation services, the competence of officers is very necessary for the smooth running of operational activities. With the knowledge that transportation officers have, they can provide clear, easy-to-understand information, so that suppliers feel helped. Thus growing manifests in supplier satisfaction and loyalty. To improve the quality of human resources in used lubricant transportation services, it is necessary to carry out educational and training activities in coordination with the Department of the Environment and Fire Affairs to increase knowledge or skills in used lubricant transportation operations, including administrative and technical aspects.

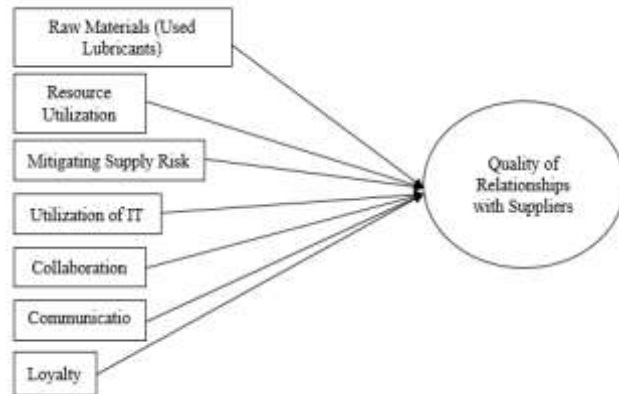
Pictographically, this relationship can be presented as follows:

Figure 1. Supply Chain Strategy



Source: Primary data processed

Figure 2. Strategy for Building Quality Relationships with Suppliers

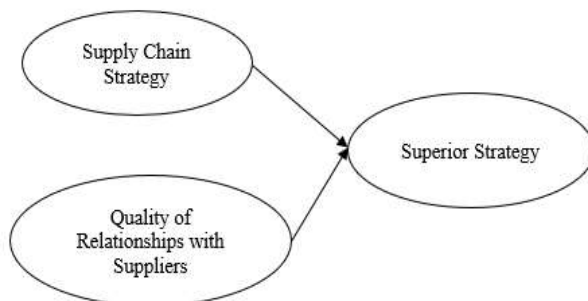


Source: Primary data processed

Below is an overview of the relationship between all concepts that explain Theory One and theory two related to improving used lubricant transportation services:

Improving used lubricant transportation services can be done by utilizing an information technology system that aims to provide ease of communication, but in its implementation there are obstacles. Therefore, efforts need to be made to overcome obstacles and obtain support from competent officers, adequate infrastructure so that these obstacles can be minimized.

Figure 3. Building a Winning Strategy



Source: Primary data processed

Based on the results of research on improving used lubricant transportation services via online manifests (SIRAJA) at PT. Wiraswasta Gemilang Indonesia, the following conclusions can be drawn:

1. By collaborating and training staff to improve competency skills, it is hoped that employees can optimize existing infrastructure and information technology media. So that employees are able to provide good service and can mitigate supply risks.
2. By collaborating and communicating to increase knowledge to maximize the use of resources and information technology in procurement activities for used lubricant raw materials. So that workshop employees in their operational activities can mitigate existing risks and create supplier loyalty.

5. CONCLUSION

Based on the description of the conclusions regarding the implementation of improving the excellence of used lubricant transportation services at PT. Wiraswasta Gemilang Indonesia, the suggestions that can be proposed are:

1. It is necessary to increase the number of used lubricant transportation service personnel and increase the competency of service officers through education and training to cope with the increase in the number of suppliers to create an effective and efficient used lubricant transportation service;

2. Intensive outreach to suppliers is needed regarding the benefits, mechanisms, and procedures for used lubricant transportation services via online manifests (SIRAJA) so that suppliers can access and submit transportation requests independently;
3. It is hoped that further research will be able to enrich the point of view in accordance with theory, as well as determine the research object in more detail from various points of view.

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