
UTILIZATION OF SUPPLY CHAIN MANAGEMENT FOR COMPANY COMPETITIVE ADVANTAGE

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Utilization of Supply Chain Management (MRP) has become a crucial strategy in increasing a company's competitive advantage in the era of globalization and increasingly fierce competition. This research digs deeper into how companies can utilize MRP effectively to achieve and maintain competitive advantage. This research uses a qualitative approach with descriptive methods. The research results show that the implementation of Supply Chain Management (SCM) has a significant positive impact on the company. Through effective supply chain management, companies can increase customer satisfaction, optimize production and distribution costs, and achieve targeted financial goals. Utilization of technology in SCM supports improved employee performance and ensures good involvement in the supply chain process. Apart from that, SCM not only acts as a logistics tool, but also as an effective marketing strategy to respond to market needs and build close relationships with consumers. Overall, the implementation of SCM provides opportunities for companies to grow sustainably and gain competitive advantage in a dynamic market.

Keywords: Chain Management, Competitive Advantage, Company.

1. INTRODUCTION

Rapid economic development in Indonesia has changed the competitive landscape between companies to become increasingly complex and dynamic (Lestari, 2019). This phenomenon is caused by several factors, such as technological advances that form new business patterns, the globalized trade system that expands market space, and world political economic stability which is an important determining factor. Anatan & Margaretha (2007) stated that in conditions of ever-changing competition, companies are faced with the challenge of continuing to adapt and improve their competitiveness.

The competition that occurs is no longer limited to the domestic level, but also involves companies from various countries. Globalization has opened up opportunities and created pressure for companies to compete internationally (Wibowo, 2018). This encourages companies to improve operational efficiency, product innovation and marketing strategies in order to remain relevant and competitive in the competitive global market. In the midst of this rapid change, company management needs to understand market dynamics, adopt the latest technology, and design responsive strategies to remain empowered in increasingly fierce competition (Dalimunthe, 2017). Thus, companies that are able to adapt quickly to changes in the economy and business environment will have an advantage in achieving and maintaining their competitive position in the dynamic global market (Suardhika, 2012).

Optimal implementation of supply chain management is the main key in overcoming and reducing the impact of increasingly tight competition in the market (Anwar, 2013). Through this approach, companies can achieve significant competitive advantages (Syahreva & Alhamzami, 2022). Previously, companies often experienced challenges in managing supply chains, especially in overcoming discrepancies between product delivery estimates and fluctuating market demand (Oktalia et al., 2022).

Supply chain management allows companies to have better visibility of the entire production, distribution and inventory process (Apriyani et al, 2018). With accurate and real-time information, companies can optimize inventory levels, reduce the risk of non-conformities, and increase responsiveness to market changes (Widyarto. 2013). This not only reduces losses due to product distribution that does not match demand, but also helps companies to plan production more efficiently.

Supply chain management also gives companies the flexibility to forge closer partnerships with suppliers and distributors. Good collaboration in the supply chain can optimize the production process, reduce lead time, and increase delivery speed (Eko & Djokopran, 2002). Over time,

companies that implement supply chain management optimally are not only able to reduce losses, but can also achieve profits that exceed expectations, creating a solid foundation for long-term competitive advantage (Ahmad, 2022).

In addition, companies that implement supply chain management optimally have the ability to synergistically connect all parties involved in every stage of the process, from changing raw materials to finished goods (Julyanthry et al, 2020). This integration has a positive impact on the overall effectiveness and efficiency in the production and distribution process of goods or services produced by the company (Ariani & Dwiyanto, 2013)

With closer connections between suppliers, producers, distributors and final consumers, companies can design and implement coordinated operational strategies (Arif, 2018). Information regarding market demand, raw material availability and inventory status can be accessed in real time, allowing companies to make the right decisions in terms of production planning and inventory management (Yuniarti et al, 2018).

A more effective and efficient production process helps companies avoid errors in demand estimation and minimize the risk of accumulating unsold stock. Over time, this not only increases the company's competitiveness in providing products or services that the market wants, but also creates more positive relationships with customers through on-time delivery and consistent quality.

Implementing supply chain management is an essential requirement for companies to strengthen competitiveness in the industry which has a direct impact on the company's overall performance. The existence of effective supply chain management will help companies to optimize all stages of the process, from suppliers to final consumers, so that the company's strategy can be implemented optimally (Heyzer and Render, 2005). In this context, the company's strategy is the main guide in developing its operations. By understanding and resolving problems in the supply chain, companies can ensure that the strategies adopted are appropriate to market conditions and consumer demands. In this case, supply chain management functions as a tool that ensures the smooth and consistent implementation of company strategy.

The importance of competitive advantage strategies in the context of supply chains is to maintain a company's competitive position in an ever-changing market. By focusing on aspects of excellence, both in terms of products, services and operational efficiency, companies can more easily adapt to market changes and gain sustainable profits. Thus, implementing supply chain management that is integrated with company strategy will help improve overall company performance. This not only includes competitiveness in the market, but also enables the company to achieve and exceed performance targets in accordance with the company's vision and mission in facing increasingly complex global competition.

2. METHOD

The research methodology used in this study is a qualitative technique. The use of qualitative methods involves developing research strategies that give priority to the use of words over numerical data in the data collection and analysis process. In addition, this approach emphasizes an inductive approach in establishing relationships between theory and research, which ultimately produces a new theoretical framework. According to Moleong (2014), the distinctive feature of qualitative methods is their emphasis on examining processes and results. Qualitative researchers have a great interest in understanding the process by which a phenomenon emerges. In this view, researchers using qualitative methods give priority to examining current reality through monitoring research subjects and identifying the underlying elements that occur. Next, they seek to identify potential solutions to existing issues. The methodology chosen for this study is qualitative, as it serves several purposes

3. RESULTS AND DISCUSSION

Competitive advantage has a significant influence on supply chain performance (reliability, responsiveness, flexibility, costs and assets). Companies that are able to offer goods at lower prices and higher quality will be able to increase sales, so that profit margins and return on investment can also be increased. Companies with product innovation and fast delivery times can increase market

share and sales, which means that the company has a high level of responsiveness, flexibility and reliability, resulting in the ability to increase company assets. The following is a form of utilization of supply chain management for a company.

Satisfying Customers

By implementing Supply Chain Management (SCM), a company can provide optimal satisfaction to its customers. SCM plays a key role in ensuring that the goods or services produced by the company meet the demands of customers as business partners. Customers, as the main target in production activities, play an important role as parties who buy or use the products and services produced by the company. Companies that focus on customer satisfaction have an advantage in building long-term relationships. SCM allows companies to identify customer needs and preferences more accurately, so they can produce products or services that meet customer expectations. Additionally, with efficient supply chain management, companies can optimize production and delivery processes, ensuring that products can be received by customers at the right time.

The importance of customer satisfaction not only impacts current transactions, but also creates opportunities to build long-term customer loyalty. By knowing customer desires and providing responsive service through SCM, companies can create strong and sustainable relationships with their customers. Thus, SCM is not only an operational management tool, but also the key to building a positive company reputation in the eyes of customers. In this context, SCM is not just about operational efficiency, but also about understanding and meeting customer expectations to ensure business sustainability and long-term growth. By focusing on customer satisfaction through SCM, companies can achieve sustainable competitive advantage in a competitive market.

Increase Income

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Lowering Costs

If in the past companies were burdened with significant costs in the process of procuring goods, producing and distributing goods or services, now everything is experiencing significant changes. The existence of Supply Chain Management (SCM) has changed the company's cost paradigm substantially. By implementing SCM, companies can succeed in reducing costs incurred for all stages of the process.

The importance of integrating product flows from companies to consumers is key to cost efficiency. SCM allows companies to better coordinate between the entire supply chain, including suppliers, manufacturers, and distributors. With integrated and accurate information, companies can optimize production and distribution processes, avoid waste, and streamline distribution channels. This contributes to the reduction of production and distribution costs, having a direct positive impact on the company's profit margins.

These cost savings are not only temporary, but can be sustainable. With good supply chain management, companies can continuously evaluate and improve each process stage, identify potential waste, and optimize the overall performance of the supply chain. In this way, companies can not only improve operational efficiency, but also achieve long-term financial goals through optimal cost management. In the era of globalization and intense competition, the ability to reduce costs through SCM has become a strategic advantage for companies that want to remain empowered and competitive in the market.

Maximum Utilization of Company Assets

In the digital era and the application of supply chain management (SCM), technology plays a crucial role in improving company efficiency and performance. Technology in SCM is not only a tool, but also a catalyst for operational transformation. Companies looking to optimize their supply chains often work with specialized software providers to ensure that the systems they use support the entire SCM process.

The use of technology in supply chain management encourages companies to improve employee performance. Employees must have a deep understanding of the technology they use in order to run supply chain mechanisms effectively. Therefore, companies often provide training and education to employees so they can make optimal use of SCM software. Increasing employee skills and knowledge in using high technology is the key to successful SCM implementation.

Employees, as the company's biggest asset, have a central role in implementing SCM. They are committed to continuously improving their skills in facing technological changes and dynamic market demands. Regular training and employee competency development are important investments for companies to ensure that supply chain management can be carried out effectively and responsive to change.

With the application of high technology in supply chain management and continuous efforts to improve employee skills, companies can maximize the utilization of their human assets. This not only brings operational efficiencies, but also creates competitive advantages through SCM that is sophisticated and responsive to market dynamics. Thus, companies can ensure that the use of technology in the supply chain not only has an impact on internal efficiency, but also on the company's ability to compete and adapt to external changes.

Increase Profits

A company's ability to sell goods or services optimally, maintain customer satisfaction levels, and optimize production and distribution processes has a significant positive impact on company revenue. By implementing an effective supply chain management (SCM) mechanism, companies can ensure that the products or services produced meet customer needs and expectations. This not only increases the likelihood of sales, but also creates loyal customers.

Maintaining customer satisfaction levels is the key to building long-term relationships. By understanding and responding to customer needs, companies can maintain their market share and build a positive image in the eyes of consumers. Good supply chain management helps companies to maintain product availability, reduce lead times, and increase responsiveness to market changes, factors that directly contribute to customer satisfaction.

Efficiency in the production and distribution process, which is obtained through the application of SCM, also has an impact on increasing revenue. By reducing production and distribution costs, companies can increase their profit margins. Optimal supply chain management helps companies avoid waste, identify potential savings, and design more efficient operational strategies.

If the company can continue to maintain product quality, customer satisfaction and operational efficiency, then the company's revenue has the potential to increase significantly. The above average profits are the result of continuous efforts to improve service quality, maintain customer satisfaction, and optimize the entire supply chain. Therefore, companies that are able to maintain sustainability in implementing SCM and focus on customer satisfaction will achieve sustainable profits in a competitive market.

Become a Market Mediator

Supply chain management has a key role as market mediation, ensuring that well-implemented supply chain mechanisms can meet the hopes and aspirations of end customers or consumers. With a deep understanding of market needs, companies can ensure that every item supplied meets consumer preferences, creating sustainable customer satisfaction. Implementing supply chain management also opens up opportunities for companies to carry out their marketing functions more effectively. By collecting and analyzing supply chain data, companies can identify consumer trends and products in demand. This information allows companies to adjust their marketing strategies, develop products that match consumer preferences, and optimize communications with production or product design operators.

Identifying products that consumers are interested in is an important step in marketing, and supply chain management provides the tools to collect and analyze this information. By understanding market needs in depth, companies can design marketing strategies that are more targeted, increase product attractiveness, and increase the effectiveness of marketing campaigns. Thus, supply chain management not only functions as logistics and distribution management, but also as a powerful marketing instrument. Through the integration of these functions, companies can optimize engagement with customers, increase responsiveness to market changes, and build a positive brand image. Overall, an integrated supply chain mechanism helps companies to be more responsive to market needs and expectations, creates strong bonds with consumers, and makes a positive contribution to the company's sustainability and growth.

Companies Get Bigger

On the other hand, implementing Supply Chain Management (SCM) gives companies the opportunity to achieve the main goals that have been targeted. Through effective implementation of SCM, companies can achieve large profits, which over time will strengthen and enlarge the company. Success in managing the supply chain brings a significant positive contribution to the company's growth and stability. One of the main benefits of implementing SCM is the potential for increased profits. By optimizing the supply chain, companies can reduce production and distribution costs, increase operational efficiency, and avoid potential losses that can occur in the supply chain. This opens up opportunities to gain greater financial profits, which in turn can be used for investment, business expansion, or improving the quality of products and services.

The benefits obtained from implementing SCM also have an impact on the strength and growth of the company. By achieving targeted financial goals, companies can strengthen their position in the market and build a more solid foundation for long-term competition. Good involvement in supply chain management helps companies to be more responsive to market changes, face challenges more effectively, and expand their market share. Overall, implementing SCM not only brings financial benefits, but also supports the achievement of the company's strategic goals. By focusing on optimal supply chain management, companies can build a strong foundation for sustainable growth, competitive advantage, and achievement of their long-term vision.

4. CONCLUSION

The implementation of Supply Chain Management (SCM) has a crucial role in supporting company performance and sustainability. By managing the supply chain effectively, companies can achieve various benefits, from increasing customer satisfaction, optimizing production and distribution costs, to achieving targeted financial goals. Through SCM, companies can respond more quickly to market changes, identify consumer trends, and improve operational efficiency. The use of technology in SCM plays an important role in improving employee performance and ensuring the smooth running of the entire supply chain process. In addition, SCM is not just a logistics management tool, but also a powerful marketing instrument. Companies can be more targeted in designing products and services that suit customer needs, create close relationships with consumers, and build a positive brand image. With these overall benefits, implementing SCM provides an opportunity for companies to achieve their main goals, increase profits and strengthen their position in the market. Thus, companies that are able to integrate SCM effectively will be better prepared to face

business challenges, build sustainable growth, and achieve competitive advantage in a dynamic business environment.

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