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Supply Chain Performance Improvement Strategy in the Packaging Industry

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A R T I C L E I N F O

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A B S T R A C T

The purpose of this study is to determine what factors affect the performance of supply chain management for companies to take the right policy regarding the implementation of an effective system, in this study uses liquid literature and using Mendeley, for the factors that influence significantly Distribution, Warehousing Management Systems. In this study, many reviewed several articles on the topic of the dependent variable and this research can be used as a reference for future research in manufacturing companies. The result that can be seen is that the warehouse management system plays a very important role in supporting the performance of supply chain management in the company. This study does not use population and sample because it is a qualitative literature review.

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INTRODUCTION

The competition in the industrial market is so fierce that we not only win the hearts of domestic consumers but also compete in the global market. Furthermore, we are in an era of globalization and a free market economy, supported by organizations such as: With the World Trade Organization (WTO), ASEAN Free Trade Area (AFTA), and Asia Pacific Economic Cooperation (APEC), fierce competition in the global market is becoming more and more intense. Information, money, and other resources connected to supply chain management are used in the integrated process through which goods or services typically move from suppliers to customers. From the acquisition of raw materials, joint planning, information transfer, order delivery, order tracking, post-sale support, and corporate performance assessment, to the most recent product creation, supply chain management operations are carried out. By integrating the flow of commodities with connected parties, such as suppliers, distributors, third parties, and consumers, all of these stages strive to satisfy market demand.

The supply chain concept is a new concept for considering the logistical problems facing all businesses. In this new concept, the problem of logistics is considered a broader problem, starting with basic materials and ending with the finished product used by the end user. The concept of the supply chain can be said to be the concept of a logistics network. In this relationship, there are several key players with the same interests: suppliers, manufacturers, distributors, retailers (retailers), and customers. By analyzing the entire supply chain process, you can benefit from implementing well-structured supply chain management. These benefits are: Reduce inventory and inventory storage costs in a number of ways, including B. Stock inventory only according to market demand. Ensure a smooth supply of goods. Starting with original products (manufacturers), suppliers, distributors, wholesalers, retailers, and final consumers. Rapidly and efficiently improve distribution chain management from raw materials to finished goods We ensure the quality of raw materials and finished products, and guarantee quality assurance upon delivery.

One of the most crucial business aspects is sales. Given that people are familiar with the barter system, distribution is one of the earliest types of business in the history of human commerce. This has been understood since the feudal era when traders transported the produce of local farms to the market in the city center. Logistics became increasingly challenging as time went on due to advancements in communication and transportation technologies as well as a diversification of the products sold. Supply chain management became a crucial component of contemporary human economic activity as people began to trade foreign goods like electronics and automobiles. A person who works in the production and distribution of commodities is knowledgeable about the supply chain. Distribution of the flow of goods and services is the goal of supply chain management, which encompasses all.

Supply chain management aims to centrally coordinate or regulate the operations of a product's manufacturing, delivery, and distribution. Companies may cut costs, operate more effectively, and provide goods to customers faster

by optimizing the supply chain. This is accomplished by exercising strict control over the internal manufacturing, distribution, sales, and suppliers of the business. The foundation of supply chain management is the notion that practically every product that hits the market is the outcome of the efforts of numerous supply chain companies. Despite the fact that supply chain management has been practiced for many years, most businesses have only recently recognized its worth in improving their operations. The supply chain, which comprises of the following five components, is coordinated by supply chain managers.

The Just-In-Time (JIT) production flow method attempts to cut down on production and material delivery system lag times and expenses. The just-in-time philosophy adopts a strategy that prioritizes systems, factories, and people. Eliminating inventory from its supply chain is the primary objective of a just-in-time business. This is accomplished by anticipating consumer demand for products, establishing long-term business relationships with highly qualified suppliers, making the most efficient use of raw materials, and concentrating on steps to reduce defective products so that products are not withdrawn from the market or revoked. This can be accomplished if the production workers are highly professional, and the business has an efficient communication system between them.

The organization you control should possess the following qualities in order to achieve maximum accountability and comply with the just-in-time classification: no inventory perfect execution, It is highly accurate and standardized. flawless print quality streamlined production, produced exclusively upon order or request, You must manage your firm within your work system in order to fit the aforementioned classes. Create a regular work schedule, Create enduring business connections with suppliers and clients, encourage the use of discipline with employees, Management prioritizes effectiveness and effective execution, and timely delivery Reduce complexity by using focused, open processes, utilizing machinery in a flexible and efficient manner, Engage personnel in problem-solving and process improvement expandable capacity that is flexible Your company can adjust to capacity changes, Your company is able to adjust to changes in.

Types of supply chain systems Supply Chain Management implements three components: The three systems are: actual supply chain management of product transfers between raw material suppliers and suppliers. At the end of the supply chain, the distribution of products from businesses to consumers. The company usually performs this process directly without using the supplier's services to deliver the goods. internal supply chain, control of raw material availability, raw material inventory, and production process is carried out by a management system. The primary goal of supply chain management is to efficiently and effectively match supply and demand in addressing existing problems. Some of the issues that can arise in your supply chain are usually related to Procurement, Suppliers and Risk Management, Customer relationship management, and Determining the degree of aging, The strategic goal of supply chain management is to become the party that controls the

market or at least can run the business. To win the market competition, a company's supply chain must be able to manufacture products with the following standards: It's cheap, quality, regular, and indefinite.

Common supply chain problems and how to solve them Manage raw material limits. Increased shipping and freight charges. Difficult prognosis. Delivery congestion. Digitalization of the supply chain. Maintain liquidity. Prediction of future state. Producing quality products at affordable prices requires customization to keep your operations running. solution: The best solution is to improve cost control by managing plans supported by a manufacturing data platform and continuously monitoring warehouse efficiency.

LITERATURE REVIEW

(Trinh et al., 2022) In the distribution of goods, a sophisticated system is needed so that the export of goods can be quickly delivered and arrive at the destination country. (Oyesiku et al., 2020) Delivery of goods fleet companies already has a GPS system to track the whereabouts of the fleet to monitor whether the delivery of goods has arrived at the location or is still on the way. (Dawda et al., 2021) In the logistics delivery process, many companies use a multi-modal transport system to be cost-efficient in delivery. (Susanto, Pahala, Hartono, et al., 2021) In the process of shipping dangerous goods, the company must be able to separate the goods so as not to disrupt the logistics distribution channel. (Susanto, Pahala, & Setyowati, 2021) Many logistics and supply chain shipments are carried out using sea tolls to reach areas that are difficult to reach by other modes of transport. (Nesterov et al., 2022) The development of the transport system has now been carried out by many transport service providers to facilitate the delivery of goods, there are those who pick up goods at the location and pay at the destination country. (Alam & Almalki, 2021) Logistics as a way to collect goods and to deliver them to the recipient, logistics is needed in the delivery of goods. (Moakofi et al., 2021) The distribution of goods will run smoothly if the procedures for shipping goods are carried out properly starting from planning, transporting, shipping and receiving are monitored by a technology system. (Alam & Almalki, 2021) Logistics functions to help deliver goods safely to their destination. (Silva et al., 2019) The creation of a logistics network system based on multi-modal transport is needed for the delivery of goods to hard-to-reach areas. (Fritz, 2022) Supply chain management is different from logistics because supply chain is more recent and there are many advantages if the company uses supply chain management implementation. (Saleheen & Habib, 2023) Manufacturing companies will use the supply chain system for cost and time effectiveness. (Carvalho et al., 2022) Delivery of goods with an integrated transport system is more time effective and integrated delivery will be connected to all areas that are difficult to reach by transport and logistics. (Zhao et al., 2022) Manufacturing companies that use supply chain methods will save production costs and get greater profits. (Bygballe et al., 2023) The strategy that the company must make is to make shipping costs decrease because the cost of selling products is cheaper and get more

customers. (Perdana et al., 2022) In the import process, many companies use a logistics consolidation system and ship by ship so that the volume is large.

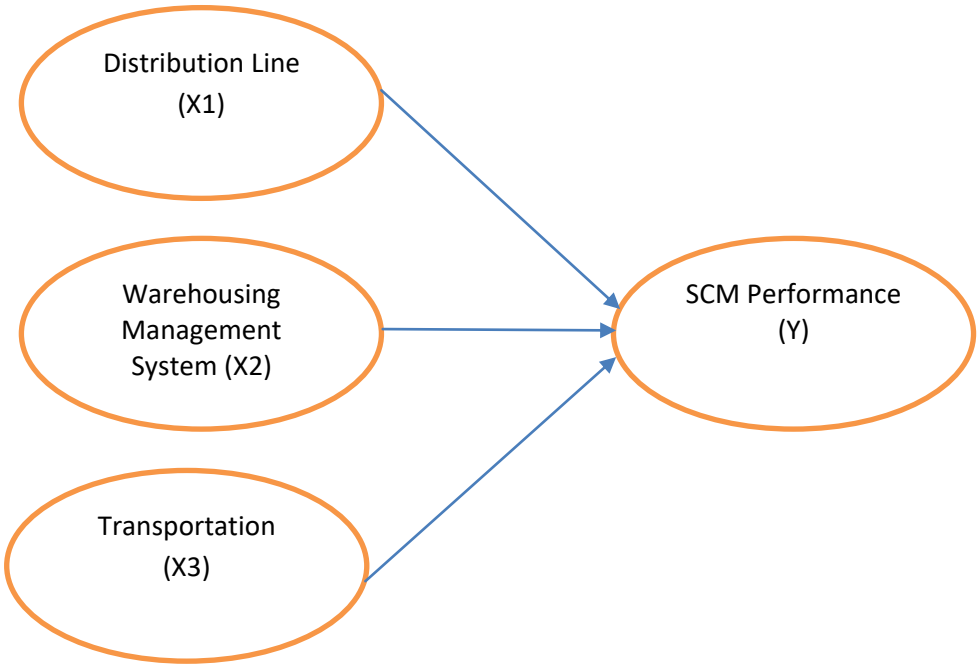

Figure 1. Conceptual Framework Novelty

METHODOLOGY

Literature research is used to research and understand company documents, theoretical underpinnings, and information relevant to the issue under investigation to obtain material that serves as the theoretical basis for compiling this research. This study was conducted by collecting data from textbooks, international journals, Internet sources, and other studies relevant to this study. The data collected are prepared, analyzed, and further processed using developed rationales so that conclusions can be drawn from the data. Data gathered from the reading outcomes are then assessed by choosing the relevant materials or ones that are still relevant to the investigation. Based on the findings of further data analysis, a conclusion from the topic under study has been summarized and reached. This process of analysis uses content analysis, i.e., a detailed explanation stage, a data analysis technique that analyzes the nature, characteristics, content and context of the data, interprets them theoretically, and draws conclusions using reasons is executed as.

RESEARCH RESULT

The concept of supply chain management covers a very broad spectrum. That is why it is rather complicated to understand in a short period of time. To make it easier for you to understand, it is important to know its components. When these components themselves function as processes or phases of SCM. Starting from the preparation of production to the arrival of the product in the hands of consumers. The components of Supply Chain Management include the following: (1) Design Process The first part is the design process. This process includes customer demand analysis, budget planning, labor, and transportation. Analysis of consumer or customer demand must be done to avoid scarcity or overproduction. The seller knows the type of product and the quantity required to fulfill consumer demand. In this case, sales and inventory reports can be used as a basis or reference for a needs analysis. This step or process plays an important role because it can minimize errors during the production cycle until the product reaches the customer. (2) Procurement Another process or component is related to procurement. If the quality of the goods must be ensured and the price is also the best, quantity is required. To make all this happen, you usually have to go through several steps in the acquisition process, including Submit an order Evaluate the purchase application Accept the proposed purchase Order of the goods from the supplier With this lengthy process, you can ensure that the goods you send are the best in terms of price and quality**.** (3). Production process Then comes to the production stage, where raw materials are converted into finished products. Either by human labor or by machine power.

The production process must not stop halfway. This leads to stock shortages and delays in delivery. If this is the case, you will definitely disappoint customers. This can already be your company's weakness in the eyes of future customers. (4). Inventory management, After the production process is complete, finished products or market-ready products must be stored in a warehouse or storeroom.

Always remember to record incoming and outgoing goods in the warehouse carefully, meticulously, neatly, and regularly, hence the need for a warehouse application for this process. This is to ensure that there is no mismatch or discrepancy between the physical inventory and the inventory accounting information. Warehouse management itself consists of several activities, starting from collecting, issuing, picking and packing, repacking, and storing goods. (5). Shipping or Distribution, As soon as the goods are retrieved from the warehouse and packed, they are ready to be shipped. Make sure the courier or distribution department and fleet are ready when the goods are packed. That way, delivery can be expedited and customers are not disappointed. (6) Delivery, The final stage of supply chain management is the process of shipping goods stored in the factory to each customer or consumer of the product for distribution. After that, the products will be delivered according to the delivery date requested by the customer. And the courier's main task is to make sure every product is delivered as ordered.

Supply chain management is a form of organizational system that aims to sell products and services to consumers. In this circuit or chain, there are several organizations that work in different fields but have the same goal of supplying goods and distributing them to end users effectively and efficiently. The products produced in this collaboration create added value. The supply chain is also seen as a logistics network capable of connecting the interconnected links between manufacturers, suppliers, retail stores, distributors, and customers. In this concept, logistics management is in the foreground, which is more visible from basic products to finished consumer products. The goal of supply chain management is the timely delivery of products that satisfy consumers, reduce costs and increase the productivity of companies in the supply chain by optimizing the time, place, and flow of material quantities. Supply chain management is a very important task to speed up the production and marketing process to meet consumer needs. For supply chain control to be effective, there needs to be a smooth flow of information and mutual trust between stakeholders, be they suppliers, companies, or consumers. The advantage of supply chain management is that a company can manage the flow of goods or products in a supply chain by using a network of manufacturing and distribution functions of companies that can work together to meet consumer needs.

The traditional enterprise supply chain consists of at least six stages, which are as follows: (1). Raw material acquisition Usually, the supply chain of a product starts with raw materials. The raw materials are of course sorted according to the expected quality standards. Usually, planning related to production goals is done before purchasing raw materials. Well, the amount of raw materials supplied is related to the production target that has been set at the beginning. (2). Delivery of raw materials to the factory Raw materials are usually delivered in the first stage through logistics partners. Then the raw materials are delivered to the suppliers. Vendors and suppliers process the raw materials and then wholesale them to the companies or factories that need them. Of course, suppliers do not only supply raw materials to companies, unless otherwise specified in the cooperation agreement between companies. (3). Factory production process When the raw materials arrive at the factory, the next process is the production stage. The raw materials are further processed into final products or finished products. (4). distribution of goods Finished products enters the distribution phase. Traders usually deliver goods from factories to retailers. (5). Retailer, When the product reaches the retailer, it is presented or marketed so that the end consumer buys it. (6). End user or customer, This sixth stage is seen as the endpoint of the supply chain. But in reality, when the end user buys the product from the retailer, the supply chain continues in a circular fashion. Because the demand or demand of the end consumer drives the company back to the initial stage, namely the selection of raw materials. So the supply chain circulates continuously. It is very important to maintain a smooth flow at each stage of the supply chain so that the flow of goods or services is not hampered.

DISCUSSION

Logistics is a part of supply chain management that focuses on moving products and raw materials as efficiently as possible. Today's supply chain management starts with finding reliable sources of raw materials, supplying goods and raw materials at the right price and quality level, and making comprehensive agreements for all parties in the supply chain. There are many types of activities.

Distribution is the process of delivering finished products from producers to consumers or users when needed. The functions of sales management are: Do market segmentation. Choose the right means of transport. Information system integration and delivery implementation. Plan and manage shipments. Manage finished product inventory. Process returns. Set service level goals (later service). Product distribution models are: (1). Drop shipping, In this product distribution model, the roles of distributors and retailers are replaced by virtual services such as the Internet, where sales and deliveries are made directly. Manufacturers use this method to reduce distribution costs and inventory is not required, reducing inventory costs. (2). Product Delivery through Transit, This distribution model includes transit services managed by distributors or retailers. Some end products are assemblies of components from multiple manufacturers. (3). Product sales by distributors, A product dealer model where the manufacturer appoints dealers to deliver products to consumers. The dealer conducts business activities based on the rights received from the manufacturer. (4). Distribution through decentralization, A product distribution model where the manufacturer places distributors separately in each sales region according to market segmentation, with the aim of bringing products closer to consumers to improve customer service and avoid warehouses. (5). Direct pick-up from consumers A distribution model where consumers bring goods directly to the manufacturer or to a specific location. Delivery of goods is carried out by a transducing system, namely from trucks to sleds through warehouses.

A warehouse management system is often referred to as WMS. This software is very important to keep warehouse operations running smoothly and as expected. The warehouse functions as a storage place for production materials and products. After it is stored for a certain time, it is distributed to locations according to the number of requests. WMS itself is a warehouse management system, which is the most important key in the supply chain. The main purpose of the WMS is to control the various processes that take place such as Shipping or dispatching, receiving or receiving, and placement or storage. The WMS also aims to track movement and record or retrieve. Nowadays, WMS is equipped with various advanced features such as barcode scanners, email or technology, etc. The main purpose of WMS is to be a provider of computerized processes that can automate the receipt and dispatch of goods. In addition, WMS manages various warehouses and warehouses. sketch. To manage this warehouse, several concepts can be used, the first concept is FIFO or First In First Out, this concept requires that goods that arrive

first must be sorted first, and those that come first in the queue must be served first.

Another concept is LIFO, which stands for Last In Last Out, where the last item entered must come out first. An example of an object with this concept is sand, the top of which must be taken out first. The importance of implementing an inventory control system in a company. The last concept is FEFO which stands for First Expired First Out, where products that expire faster must be given first, for example, medicines, food, and drinks. This WMS basically uses barcodes or unique code contents that serve as product identifiers and are also built in all branches. The WMS reports the location of items and the location is recorded in the system by scanning the barcode, so no items are hidden. Many do not know the difference between SCM and WMS. WMS is part of SCM or Supply Chain Management. SCM has a broader scope compared to WMS, which is evident from the way the two systems work, although both are related to WMS, whose bottlenecks affect SCM. SCM focuses on suppliers, manufacturers, and retailers, while WMS focuses on warehouse logistics, storage, warehousing, and movement of goods. This warehouse management system is the key to the success of supply chain management, the complicated storage process also complicates the supply chain, so the use of WMS software is indispensable to support the smooth operation of the warehouse so that SCM also runs smoothly.

Transport is the simplest industry to consider as a key logistics function. Customers can easily track the movement of goods from one place to another by truck, train, ship, or plane. In the context of supply chain management, an important function of transport is to provide logistics service solutions: Product movement and product storage. The function of transport lies in product movement, the function of transport is to carry out the movement of goods, whether in the form of raw materials, components, goods in process, or finished goods. The financial value of transport in fulfilling this role is to transfer inventory from the point of origin to a specific destination in the company's supply chain management system. Transport activities determine acquisition, production (manufacturing), and customer relationship management activities. Without reliable transport performance, almost all major functions of the supply chain will certainly not run effectively and efficiently.

In addition to the function of transporting products in transit, an aspect of the transport function that is rarely considered is product storage. Transport plays a role in product storage, especially intermediate storage from origin to destination. This interim storage function can be implemented more cost-effectively in the transport sector, especially when filling temporary warehouses with a delivery time of several days. Possible costs such as the cost of loading, storing, and unloading goods from the intermediate storage of the product may be higher than the operating costs of the vehicle used for intermediate storage.

CONCLUSIONS AND RECOMMENDATIONS

In short, supply chain management is one of the most important functions that companies perform optimally. This is understandable because companies want to implement all business processes as efficiently as possible. With good supply chain management, all product manufacturing processes, from processing raw materials to finished products, are carried out in the shortest possible time with the best quality. The smooth running of supply chain management activities requires applications that facilitate communication and reporting at every stage.

ADVANCED RESEARCH

With the creation of this article, the author still feels that there are many shortcomings in writing, and the repertoire of supply chain management science and the publication of this article is expected to be a reference for supply chain management practitioners to develop this research more broadly to be useful for the advancement of company performance in the field of supply chain management, as for the supporting factors in performance, namely distribution lines, warehousing management systems, and transportation.

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