

# CHAPTER I

## INTRODUCTION

### 1.1 Background

Companies in their operational activities undoubtedly demand a supply of goods or services to reach the final consumer in their business activities. These activities begin with the procurement of raw materials from producers, which are then processed into final items before being delivered to second and third parties for sale to customers. In order to achieve gain, the distribution process must go smoothly. Companies must flow an item smoothly until it reaches the final consumer as part of supply chain management. Supply chain management is used to ensure that a corporation offers accurate and timely information while also overcoming risks such as product demand, raw material supply delays, and production process interruptions. As a result, supply chain management, in its most basic form, aims to help a firm run more effectively and efficiently.

Pujawan and Mahendarwati (2010) explained that the importance of the role of all parties from suppliers, manufacturers, distributors, retailers and consumers in creating cheap, quality, and fast products is what gave birth to a new concept, namely supply chain management. According to Pujawan (2010) supply chain management is one of the important strategies in building competitive advantage for organizations and companies. Wagner et al. (2012) stated that the more companies are able to manage the supply chain well, the company's Return Of Assets (ROA) will be higher. Companies that use good supply chain management will have a good impact on the flow of goods or services. The impact is that the company will be more structured, coordinated, scheduled, and integrated so that the whole process will run effectively and efficiently. Then the company also makes efforts to offer the best products for consumers. To meet the products that consumers want, companies must strive optimally in the use of all assets and capabilities they have as added value to consumers. In addition, the company also needs partnership relationships with suppliers and distributors to work well together, and help the company to achieve its goals and carry out well.

According to Pujaawan and Mahendarwati (2010) the involvement of customers and suppliers to focus more on running their business is needed in local food agro-industry activities such as dodol. The importance of the role of related parties from suppliers, manufacturers, distributors, retailers, to customers in creating quality, fast and cheap products is what gave birth to the concept of Supply Chain Management. Supply Chain involves all parts, either directly or indirectly, to meet customer demands. The purpose of the supply chain is to ensure a product is at the right place and time to meet consumer demand without creating excessive or shortage of stock and providing great benefits for the company. UD. Kemas is wrong a small traditional food industry in Bengkalis Regency which produce traditional food namely dodol in 5 types of flavor variants, soft durian, and fruit crackers Dragon. To view the business profile of UD. Kemas.



**Figure 1.1 Young Coconut Dodol Products at UD. Kemas**

*Source: Processed Data, 2021*

In Riau, especially in Bengkalis district, the company studied by this author is a company that produces and sells products in the form of dodol. The company certainly needs activities in the form of supply chain management that are applied to the flow of goods from upstream to downstream. The scale of trading business in the food sector in Bengkalis is increasing. This is because Bengkalis has the resources and conditions that support the growth of the trading

business sector, especially in the food sector. Dodol is one of the growing food industries in Bengkalis. The number of tourists who come to Bengkalis is the cause of the development of dodol, because dodol is one of the typical souvenirs of Bengkalis. Of course, this also has an impact on dodol sales, where the demand for dodol increases. This increase in demand for dodol has also led to an increase in the dodol trading business in Bengkalis.

To find out supply chain management analysis, the company really prepares everything to support the flow of an item in supply chain management. Based on the above background, researchers are interested in conducting research with the title "**Analysis Supply Chain Management of Young Coconut Dodol Products at UD. Kemas?**"

## **1.2 Formulation of the Problem**

Based on the background described above, the researcher formulates the problem to be studied is "How is the Supply Chain Analysis of Young Coconut Dodol Products in UD. Kemas?"

## **1.3 Purpose of the Study**

Based on the formulation of the existing problems, the objectives of this research are to know:

1. The products flow the supply chain product flow for young coconut dodol products at UD. Kemas.
2. The financial flow of young coconut dodol products at UD. Kemas.
3. The information flow of young coconut dodol products at UD. Kemas.

## **1.4 Significance of the Study**

There are three benefit in the research entitled "Analysis Supply Chain Management of Young Coconut Dodol Products at UD. Kemas" is as follows:

1. For researchers

Can provide additional knowledge and is one of the requirements for completing the Bengkalis State Polytechnic International Business Administration Study Program.

2. For Companies

Can provide useful information in terms of improving the supply chain structure, so that it can provide increased welfare for all supply chain members.

3. For Readers

Can increase knowledge and can be used as a source of the latest information and references for researchers from other agencies who want to do further research on the title.

### **1.5 Scope and Limitation of the Problem**

Based on the background that has been described previously, the author makes a problem definition so that the scope of this research is clear. The limitation of the problem made is that this study will analyze the supply chain of young coconut dodol products at UD. Kemas.

### **1.6 Writing System**

The systematics of writing carried out for supply chain analysis research for young coconut dodol products at UD. Kemas are as follows:

#### **CHAPTER I : INTRODUCTION**

This is an introductory chapter that describes the title, research background, problem formulation, research objectives, research benefits, scope and limitations of the problem and writing systematics.

#### **CHAPTER II : LITERATURE REVIEW**

Put forward the theoretical basis and theoretical basis that will be used in completing research, both general and specific in nature, consisting of previous research and theoretical foundations.

### **CHAPTER III : RESEARCH METHOD**

In chapter describes a method of conducting research that consists of location, time and object of research, types and sources of data, data collection techniques, data analysis methods, this kind of research, as well as the schedule and budget of the study.

### **CHAPTER IV : RESEARCH RESULTS AND DISCUSSION**

In this chapter the author will describe the discussion of the results of research analysis that has been carried out by means of interviews, observations, and other sources.

### **CHAPTER V : CONCLUSIONS AND SUGGESTIONS**

In this chapter the author will describe the conclusions obtained from the discussion and suggestions that will be submitted by the author.

