

## **ANALYSIS OF SUPPLY CHAIN MANAGEMENT AGAINST OPERATIONS OF PT BENIH CITRA ASIA**

**Allief Mardika<sup>1</sup>, Dessy isfianadewi<sup>2</sup>**

Islamic University of Indonesia

[19311476@students.uui.ac.id](mailto:19311476@students.uui.ac.id), [dessy.isfianadewi@uui.ac.id](mailto:dessy.isfianadewi@uui.ac.id)

### **ABSTRACT**

PT Benih Citra Asia is a company that operates in industry in agriculture, in particular industry seeds of food and horticultural crops which are the result of plant breeding (Plant Breeding). This research aims to analyze the effect of implementation of Supply Chain Management (SCM) on the operations of PT Benih Citra Asia. This research uses qualitative methods by conducting in-depth interviews and direct observation as data collection techniques. The research results show that implementation of Supply Chain Management at PT Benih Citra Asia has had a significant positive impact on the company's operational efficiency. Supply Chain Management helps optimize the flow of goods and information throughout the supply chain, which contributes to smooth production processes and responsiveness to market changes. Good collaboration between departments, especially between the Plant and IT divisions, is very important to ensure that product information is always up to date and accurate. Apart from that, this research also found that raw material inventory management that is difficult to predict and fluctuations in customer demand are the main challenges in Supply Chain Management. To overcome this problem, closer collaboration with suppliers and customers is required as well as the use of advanced information technology to improve visibility and coordination between departments. Overall, this research confirms that Supply Chain Management is a key factor in improving the efficiency and operations of PT Benih Citra Asia. Cross-departmental collaboration and effective communication are critical elements in successful implementation of Supply Chain Management.

**Keywords:** Operations, Supply Chain Management, Efficiency, PT Benih Citra Asia

### **INTRODUCTION**

Agriculture is one of the many things that is closely related to human daily life. In Indonesia, agriculture is one of the most important sectors or aspects in the Indonesian economic system. Natural resources and adequate and supportive climate conditions are able to support the development of the agricultural sector in Indonesia so that it achieves progress over time (Kusumaningrum, 2019). Since the beginning, it was still manual using animal and human power until now many have switched to using more sophisticated and modern agricultural tools.

PT Benih Citra Asia, located in Jember City, East Java, is one of several companies operating in the agricultural sector to produce seeds for food and horticultural crops which has the aim of meeting consumer needs, namely providing high quality seed varieties to consumers in order to maintain trust. consumers towards the company brand so that it remains well established and sustainable. (Saleh & Miah Said, 2019)

In this research, the author will focus on examining more deeply how PT Benih Citra Asia implements supply chain management to support the company's operational performance. Supply Chain Management in every company has an important meaning, because the aim of the supply chain itself is to meet consumer needs and maximize company

profits (Fitrianto & Sudaryanto, 2016). With a supply chain, companies can monitor the management of the flow of information, products and funds from upstream to downstream and vice versa. The contribution of the supply chain to company performance is the integration process at stages in the supply chain such as information flow, long-term relationships with suppliers and cooperation with partners involved in the supply chain (Rahmasari, 2011).

The application of supply chain management in operational management in a company will certainly face several risks and challenges for which solutions must be found. There are six main risk constructs in supply chain management, namely risks from the aspects of supply, demand, manufacturing, logistics, information, and finally the environment (Punniyamoorthy et al., 2013).

### **RESEARCH METHODS**

The approach used in this internship is qualitative, which shows a different approach in scientific research compared to quantitative methods (Abdussamad & Sik, 2021). Qualitative methods rely on text and image data, have unique steps in data analysis, and use a variety of designs. Writing a methods section for a qualitative research proposal or study involves understanding the purpose of the

research, stating the specific design, reflecting on the researcher's role, gathering data sources, implementing data recording protocols, analyzing information, and documenting the methodological integrity or validity of the data (Creswell & Creswell, 2017).

In the data collection process at PT Benih Citra Asia, the author conducted observations and interviews. Qualitative observations were carried out by recording behavior and work activities at the research location during the internship period, both unstructured and semi-structured, with researchers acting as non-participants to full participants (Creswell & Creswell, 2017). Interviews were conducted in person, by telephone, or in focus groups with six to eight respondents, to explore participants' views and opinions regarding supply chain management, involving suppliers, supervisors and employees of the PLANT division at PT Benih Citra Asia. The unit of analysis in this research is a team or group, especially the PLANT division, to understand the system and implementation of supply chain management in the company. The author also analyzes suppliers to determine the importance of their presence for the company. Analysis by the team was used to obtain data from observations and interviews related to the implementation of supply chain management in the operations of PT Benih Citra Asia.

## RESULTS AND DISCUSSIONS

Interview with Mrs. Endang Sulistiani, Plant Manager PT. Seed Citra Asia, expressed his views regarding the implementation of Supply Chain Management (SCM) in the company. According to him, the results of in-depth interviews with informants and direct observation show that the SCM implemented at PT. Seed Citra Asia has an effective impact on the company's operational performance, helping operational flow and increasing efficiency in various aspects, from inventory management to distribution of finished products. He emphasized that SCM can optimize the flow of goods and information, so that the production process becomes smoother and responsive to market changes. Apart from that, it is important to collaborate between the Plant division and other departments, such as IT, to ensure product information is always up to date and accurate in the system. SCM components which include planning, sourcing, production, delivery and returns, are all optimized through SCM at PT. Seeds of Asian Images (Bolstorff & Rosenbaum, 2007; Heizer et al., 2020).

Mr. Rival Irawan, staff in the Plant division of PT. Seed Citra Asia, also said that SCM has a significant impact on the company's operational performance, helping to plan raw material needs and organize production according to market demand, as well as improving coordination between

departments such as logistics and marketing. These two interviews show that SCM is a key factor in improving operational efficiency and performance at PT. Citra Asia Seeds, with cross-departmental collaboration as the key to successful implementation.

Regarding problems in SCM, Mrs. Endang Sulistiani revealed that the main challenges are raw material inventory management which is difficult to predict, as well as fluctuations in demand and supply of raw materials which often cause imbalances in inventory and affect production flows. To overcome these challenges, companies try to improve communication and cooperation with suppliers and customers, which is the core of responsive strategies in SCM (Heizer et al., 2020). Meanwhile, Mr. Rival Irawan highlighted gaps between departments and lack of communication as obstacles in SCM, which can be overcome by strengthening communication and cooperation between departments as well as using advanced information technology to increase visibility and coordination.

By overcoming these challenges through the steps suggested by Mr. Rival Irawan, PT. Seed Citra Asia can strengthen their SCM, increase operational efficiency, and ensure sustainability in meeting market and customer needs.

Discussion regarding the Implementation of Supply Chain Management (SCM) at PT. Seed Citra Asia, based on interviews with Mrs. Endang Sulistiani and Mr. Rival Irawan, highlights the positive impact of SCM in optimizing company operations. Mrs. Endang emphasized the importance of SCM in improving operational efficiency and collaboration between departments, especially with IT, to ensure product information is always up to date and accurate. Mr. Rival Irawan added that SCM has helped manage supplies of raw materials and finished products more efficiently as well as improving coordination between the Plant division and other departments such as logistics and marketing. Both informants agreed that good communication and coordination between departments is the key to smooth operational flow, making SCM an important factor in improving PT operational efficiency and performance. Asian Image Seeds.

An interview with Mrs. Endang Sulistiani revealed challenges in supply chain management, especially regarding raw material inventory management which is difficult to predict due to fluctuations in demand and supply. The proposed solution is to strengthen collaboration with suppliers and customers to predict demand more accurately. Mr. Rival Irawan highlighted another challenge in the form of gaps between departments that hamper the flow of information and production processes. The solution is to strengthen communication and collaboration between departments, as well as use information technology to increase visibility and

coordination. By understanding these challenges and implementing the right solutions, PT. Citra Asia Seeds can increase operational efficiency and smooth production flow.

At PT Benih Citra Asia, many workers at BULKY do not use the required safety equipment due to discomfort and lack of awareness. Lack of OSH training exacerbates this situation. According to the K3 theory by Goetsch (2018), the importance

of continuous training, hazard identification, risk assessment, and creating a safety culture. To overcome problems at BULKY, the company must provide regular training, ensure the availability and comfort of PPE, and complete K3 facilities. Implementing K3 theory in companies can improve work safety, reduce the risk of accidents, and increase employee welfare and productivity.

1.	Increased Operational Efficiency	Mrs. Endang Sulistiani, as Plant Manager, emphasized that SCM has played an important role in increasing efficiency in various aspects of the company's operations. This includes managing a more structured and well-coordinated workflow between various departments. Successful implementation of SCM at PT. Seed Image Asia relies heavily on effective integration between departments. This shows that SCM not only functions as a logistics management tool, but also as a mechanism that optimizes the entire company value chain.
2.	Inter-Departmental Collaboration	Good collaboration between the Plant division and other departments, such as IT and logistics, is key in ensuring that product information is always up to date and accurate. This success highlights the importance of solid information system integration in supporting SCM operations. This cross-departmental collaboration is also a clear example that effective SCM requires full support from various functions within the company, not only from a technical perspective but also in terms of communication and coordination.
3.	More Efficient Inventory Management	Mr. Rival Irawan's perspective provides an illustration of how SCM helps the Plant division manage raw material and finished product inventories more efficiently. This means that SCM has succeeded in reducing waste, optimizing resource use, and increasing the speed of response to production needs and market demand. This efficiency not only has an impact on the Plant division but also on the company's overall operations, which ultimately increases PT's competitiveness. Asian Image Seeds.
4.	The Importance of Communication and Coordination	Both informants agreed that good communication and coordination between departments is an important element in maintaining smooth operational flow. This indicates that the success of SCM implementation depends not only on the technology or system used, but also on the team's ability to work together effectively. Clear communication and good coordination ensure that all parts of the supply chain work in sync and are responsive to changes as they occur.
5.	Information Systems Integration	One important aspect revealed in this interview is the role of the IT team in ensuring that the information system in the Plant division is well integrated with other systems in the company. This integration is important to ensure that the data generated and used in the SCM process is accurate and reliable. This emphasizes that information technology is the backbone of effective SCM, enabling companies to make decisions based on timely and relevant data.
6.	Challenges in Raw Material Inventory Management	<b>Demand Uncertainty:</b> Companies have difficulty accurately predicting customer demand, which leads to inventory imbalances. Excess inventory can increase carrying costs and the risk of expiration, while inventory shortages can hinder production and cause customer dissatisfaction. <b>Dependency on Suppliers:</b> Dependence on suppliers who may not always be able to meet demand for raw materials on time is also a challenge. This can exacerbate uncertainty in inventory management.
7.	Challenges in Interdepartmental Collaboration	<b>Communication Gaps:</b> Lack of effective coordination and communication between departments causes an unsmooth flow of information, which can result in errors in production and planning. <b>Miscommunication and Delays:</b> Misunderstandings between departments can result in late or inappropriate decisions, ultimately affecting the

		company's production flow and response to changes in demand or market conditions.
8.	Non-compliance in the Use of Personal Protective Equipment (PPE)	This non-compliance shows weaknesses in K3 education and awareness among workers. In addition, discomfort in using PPE may be caused by lack of ergonomics or unsuitability of PPE to workers' needs.
9.	Lack of K3 Training and Safety Education	The lack of OSH training and education indicates a major gap in the company's OSH program. This also reflects the lack of investment in developing workers' skills and knowledge regarding occupational safety.
10.	The Importance of Hazard Identification and Risk Assessment	Without proper hazard identification, companies cannot design effective risk mitigation strategies. This results in an increased risk of preventable accidents.
11.	Building a Strong Safety Culture	A strong safety culture is the foundation of an effective OSH program. Without a collective awareness of the importance of safety, workers tend to ignore K3 procedures and consider them as an additional burden.
12.	Evaluation and Measurement of K3 Performance	Regular K3 performance evaluation allows companies to identify areas requiring improvement and to assess the effectiveness of the actions taken.

## CONCLUSION AND SUGGESTION

Implementation of Supply Chain Management (SCM) at PT. Seed Citra Asia has significantly improved the company's operational efficiency, especially through integration and collaboration between departments. Close collaboration between various divisions such as production, warehousing and distribution ensures efficient and coordinated workflow. Smooth and transparent communication between departments enables rapid and accurate exchange of information, helping identify and address operational challenges. Solid cooperation between departments supports clear division of tasks, effective coordination, and assistance in overcoming complex challenges. SCM at PT. Seed Citra Asia relies not only on advanced technology and processes, but also on human integration, communication and cooperation. Recommendations for improving SCM include implementing ERP to track raw material inventory in real-time, strategic partnerships with suppliers, using accurate forecasting techniques, establishing safety stock, and regular meetings between departments. For K3, employee training and development, clear K3 policies, regular surveys and inspections, and employee involvement in K3 programs are recommended. These steps are expected to maintain employee safety and health, increase productivity, and improve the company's reputation.

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