# THE ROLE OF SUPPLY CHAIN MANAGEMENT (SCM) ON MSME PERFORMANCE USING BIBLIOMETRIC ANALYSIS

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#### **Abstract**

The importance of the role of MSMEs in the Indonesian economy makes this sector can not be underestimated and the progress of this sector will be the focus of the government for the next few years. Classic problems related to distribution often occur in micro, small and medium scale enterprises. So it is hoped that with the Supply Chain Management (SCM), problems related to distribution can be overcome. Therefore, this study intends to examine how the role of SCM in the progress of MSMEs. The method used in this study is a qualitative research method with a literature study approach using bibliometric analysis. The software used is Vosviewer with a number of articles collected from Crossref over the last 5 years, using the keywords: "Supply chain management" and "small medium enterprises". The results of the study show that SCM in MSMEs will be related to efforts to create sustainability, increase competitive advantage, and improve the quality of relationships with customers.

Keywords: supply chain management, performance, micro small medium enterprises.

## 1. INTRODUCTION

The importance of the role of Micro, Small and Medium Enterprises (MSMEs) in the Indonesian economy means that this sector cannot be underestimated and the progress of this sector will be the focus of the government for the next few years. The MSME Center of Ciburial Village is widely known for its potential for tourism activities in the Bandung area, such as the Cliff Palace and the Djuanda Forest Park. Tourism activities in Ciburial Village are actively socialized using social media, namely Facebook, Instagram, Twitter, and YouTube, both official accounts of the Village Government and individual accounts of Ciburial residents through digital fighters in Ciburial Village. In addition to tourism potential, this village, which is located in the North Bandung area, also has other potential, including MSMEs or Micro, Small and Medium Enterprises. Several types of businesses developed in the Ciburial Village area include handicrafts, peuyeum food, tofu and honey making, in addition there are also

several cattle, goat, and chicken businesses. Based on the results of interviews conducted related to tofu SMEs in Ciburial Village, there are several problems faced by SMEs in this area. For example, the problem faced by tofu SMEs, which number 13 factories, is the difficulty in handling the raw material for making tofu, namely soybeans. The availability of soybeans and the instability of the cost of soybeans are often problems they face in making tofu. The problem faced in Ciburial Village is a classic problem that is actually faced by many MSMEs.

So it is hoped that with the Supply Chain Management (SCM), problems related to distribution can be overcome. Therefore, this study intends to examine how the role of SCM in the progress of MSMEs.

#### 2. LITERATURE REVIEW

What is a Supply Chain (SC)? Mentzer et. al. explained that SCM is a set of three or more entities (organizations or individuals) that are directly involved in the upstream and downstream flows of products, services, finance, and/or information from sources to customers (Mentzer et. al., 2001). The definition of Supply Chain Management (SCM) is more clearly explained by The Global Supply Chain Forum (GSCF), namely the integration of business processes from end users or end users to suppliers or suppliers who provide products, services, and information that can add value to customers and other stakeholders (Lambert & Cooper, 2008). Moreover in Mentzer et al. also underlines the importance of information flow as one of the keys to successful business activities (Mentzer et. al., 2001). Heizer & Rander (2015), defines Supply Chain Management as a management activity in order to obtain raw materials into goods in process or semi-finished goods and finished goods and then send these products to consumers through a better distribution system. SCM can make company activities more structured, coordinated, scheduled, and integrated so that the whole process will be more effective and efficient.

Previous research related to supply chain management issues in SMEs was also conducted by Kuo and Chen who also found that Information Systems (IS), information sharing processes, and performance matrices facilitated the implementation of business strategies, leading to SCM synchronization and performance improvement (Chien-Liang Kuo, Chen & Smits, 2005).

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### 3. RESEARCH METHODS

The method used in this study is a qualitative research method with a literature study approach using bibliometric analysis. The software used is Vosviewer with a number of articles collected from Crossref over the last 5 years, using the keywords: "Supply chain management", "small medium enterprises".

## Data Collection

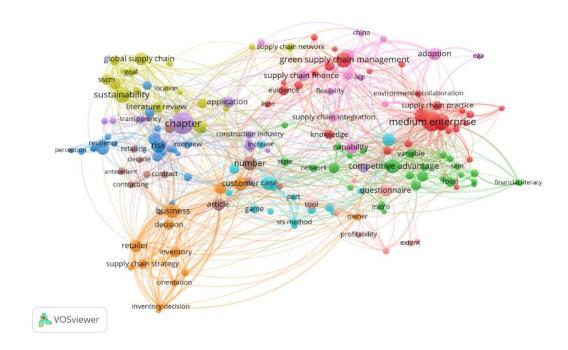
After collecting data using publish and perish software on journals indexed to crossref which is a Digital Object Identifier (DOI) registration agency, there are 467 articles that meet the requirements, namely complete in title, author, where the journal was published, and year of publication. Then by using Vosviewer, the results of this article are analyzed based on network visualization, overlay visualization and density visualization.

In network visualization, the size of the label and the circle of an item is determined by the weight of the item. The bigger the circle and the label on the figure, the bigger the weight of the item. From the picture below, "medium enterprise", "supply chain performance", "green supply management", "chapter" and "sustainability" are 5 keywords that have a large weight. This means that these words are words that often appear in research that are associated with the keywords "supply chain management" and "small medium enterprises" either directly or indirectly.

### Data Analysis

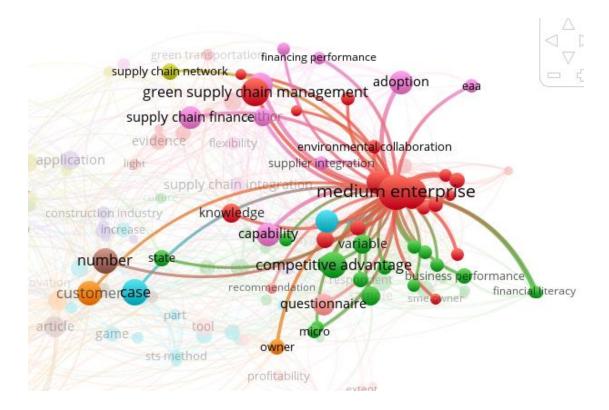
The five words with the greatest density that are directly related to research with the keyword "SME" based on the results of the analysis using VOSviewer are "green supply chain management", "competitive advantage", "questioner", "case", and "owner". Meanwhile, the 5 words with the greatest density that are directly related to "supply chain performance" are "green supply chain management", "customer", "supply chain integrations", "knowledge", and "capability". These results can be seen in figures 2 and 3.





Source: Data Processed, 2021

Figure 1. Network Visualization

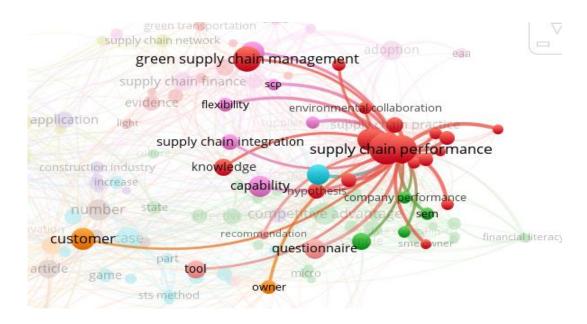


Source: Data Processed, 2021

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Figure 2. Network Visualization Related to SMEs

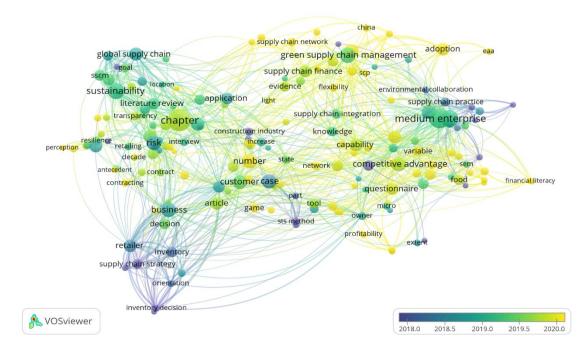




Source: Data Processed, 2021

Figure 3. Network Visualization Related to Supply Chain Performance

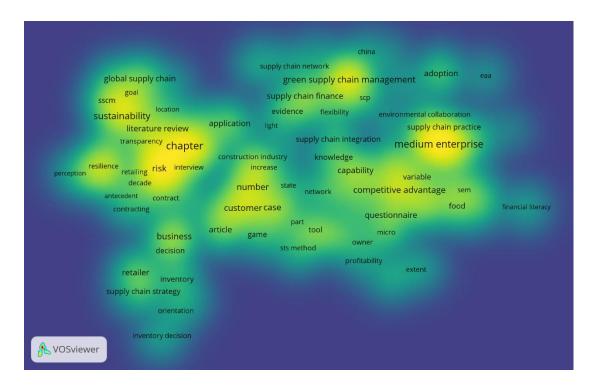
Meanwhile, based on the results of the overlay visualization, discussions related to "SME" and "supply chain" were mostly carried out in journals with a publication year of 2019-2020.



Source: Data Processed, 2021

Figure 4. Overlay Visualization





Source: Data Processed, 2021

Figure 5. Density Visualization

Explaining the role of SCM on MSME performance, will be related to efforts to create MSME sustainability related to the keyword "green supply chain management", increasing the competitive advantage of MSMEs related to the keyword "competitive advantage", and improving relationships with customers related to the keyword "customers". The implementation of SCM in MSMEs cannot be separated from the words "knowledge" and "capability", which shows the importance of good quality human resources to support the implementation of SCM. In addition, the keywords "questionnaire" and "case" that appear show that the data that is often used in research on this topic is primary data.

#### 4. **CONCLUSION**

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Therefore, answer the question of how the role of SCM on the performance of MSMEs will be related to attempt to create sustainability, increase competitive advantage, and improve the quality of relationships with customers. This is in accordance with a study by Zabidi which states that supply chain management (SCM) is

one of the best solutions to increase competitive advantage (Zabidi, 2001). The competitive advantage of SCM is how companies are able to manage the flow of goods or products in a supply chain. The main objectives of SCM are delivery of product shipments on time, reducing time and costs in meeting needs, centralizing planning and distribution activities, and managing good inventory management between suppliers (vendors) and consumers (buyers) (Pujawan, 2005). SCM provides a structure that allows the process and implementation of plans to be run and provides various systems for carrying out the process and implementation of plans.

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