Analysis of Supply Chain Management at the Micro Small and Medium Business Fishery Products of the Coastal Community in the North Minahasa Regency.

Indrie D. Palandeng[1]

[1]Faculty of Economic and Business, University of Sam Ratulangi, Manado, Indonesia
Corresponding Author: Indrie D. Palandeng

ABSTRACT. *The aim of this research is to analyze the effect of supply chain management practices to the competitiveness and the performance of the Micro Small and Medium Business of the coastal people in the North Minahasa Regency. The Micro Small and Medium Business is one of the driving force of the economy of a nation, it can be proved when the economy was decrease the Micro Small and Medium Business still persist. Facing the ASEAN Economic Community (MEA)the Micro Small and Medium Business had to have the competitiveness and good performance to persist and compete with the competitor. North Sulawesi as the gate in the Pacific Region and East Asia also prepare the micro small and medium business to be the spearhead in facing the globalization and the application of ASEAN Economic Community. The Micro Small and Medium Business in North Sulawesi especially in the North Minahasa Regency still need improvement in the quality implementation, in order to increase the competitiveness of the product through the improvement of the supply chain management. In the practice the Micro Small and Medium business have problems, among others the availability of raw materials, the guarantee of the product quality, limited facilities and infrastructure,and lack of information's sharing. This research is an explanatory research with 41 respondents whom own the Micro Small and Medium Business in the coastal community through interview and who also had been shared the instrument of the research in form of questionnaire to identify and understand of all the things that related with this research. And then the result of it was statically analyze using the PLS analysis method. Based on the result of the analysis method,supply chain management has a positive significantly effects to the competitiveness and the performance. And so is the competitiveness has positive significant effects to the firm performance.*
KEYWORDS: *supply chain management, competitiveness, performance, micro small and medium business*

I.   INTRODUCTION

The ASEAN Economic Community (MEA) brought new trend in the flow of goods, money and information to the goods and service which produced to the company. Therefore, companies are racing to find the best way in the operational strategy appliance to produce product with the competitive price, a better quality and faster respond in product delivery so that it can be better than the competitor and the continuity of the company can be guaranteed.

The tighter of the competitiveness level in business, caused focus change of the competition, from competition between companies to be the competition between networks. Because, to produce a qualified product in the sense of a better quality product, competitive price and an on time delivery needs a cooperation between the business actors from upstream (supplier) to the downstream (end customer) so that the aim of the company can be achieved which is to produce a more efficient and effective product and also gain the profit. This can be achieved if the company does some operational upgrading through the supply chain management approach, also known as the supply chain management.

According to Anatan(2010) the supply chain management approach needs cooperation, coordination, and integrationwithin company internally and externally (cooperation the companies in one supply chain) so that the supply chain can be more effective, better service, and the improvement in company profit, which is mean that the company could gain a profit. According to Lambert, et.al (1998) the supply chain management is one of the key in end customer business through the main supplier who provide the goods, the services, and the information that gives a plus point to the customer as the decision maker.

The Micro Small and Medium business is a strategic force to a business, because it an important role that support the development and the national economy growth, especially in providing the employment and the contribution to improve of the community income. The supply chain management practices not only apply in the big company, it can also apply to the micro small and medium business as well. Fish-based Micro Small and

Medium business can be benefit with the practice of supply chain management. The fishery products in North Sulawesi are plenty in quantity and in variety, whereas the North Sulawesi is one of the Provinces in Indonesia that give the biggest contribution in the fishery products. One of the Regent that made fishery products as one of superior products is the North Minahasa Regency.

Fishery-products in the North Minahasa Regency are one of the biggest contribute productsof the economic growth of the North Sulawesi people. The Micros Small and Medium Business in the North Minahasa Regency problems areit still produce traditionally so it has moderate competitiveness, the relationship with supplier are not good, the fishery productis below average in quality and in theproduct variety, that goes along with the lack of good relationship with thecustomer, that lead to the lower profit level. Therefore, the quality of the fishery products that comes from the coastal people in particular the Micro Small and Medium Businesshave below quality standard. That's why the Micro Small and Medium Business actors especially in the fishery products need to increase the competitiveness level. One of the approaches that can be done with the supply chain management practice, is with the improvement of the relationshipof supply chain both with supplier and the customer and also with the internal supply chain management,by the implementation of it the fishery products in the coastal area of North Minahasa Regency will have the competitiveness and better performance. According to Sumarauw J, 2013; Palandeng.I, et al(2016); Li, (2006) the practice of the supply chain management has three important parts which are Supplier Relationship, Customer Relationship and the Internal SCM.

The supplier relationship management is defined as the long term relationship between the company with the supplier to improve the operational ability to achieve the company goal (Stuart and McCutcheon (1996); Sheridan, 1998) this strategy focusing in the problems between the company and it supplier (Gunasekaran, et al 2001) for the efficiency and the effectiveness in producing a product. Customer relationship management is the activities in managing the customer complains, build a long term relationship and increasing the customer satisfactory levels (Claycombetal.1999). Tan, K.C., Kannan, V. R., and Handfield, R. B. (1998) explained CRM will allow a company to increase the loyalty to customers and also create aplus point to customer. The internal supply chain management is all the input process of the goods supplies which is start from the warehouse to the change of the input process from the supplier until it produced the outputs in the company. The lack of information or the misinformation in the supply chainresulted higher cost and inefficiency, such as over stock, lower service to the customer, the loss of profit, the incorrect capacity plan, passive transportation, and the imprecision of the production schedule (Lee et al, 1997). It means that sharing information is really important in the supply chain ofa company.

Related to the problems faced by the Micro Small and Medium Business in the North Minahasa Regency then a research had to be done or analyzed from the side of supply chain management angle to increase the competitiveness and performance,so it can create a plus point to the Micro Small and Medium Business especially to the coastal community. Generally, this research is to review the analysis of supply chain in the Micro Small and medium business of the fishery products in the coastal area of North Minahasa Regency. The goal of this research is to review the correlation between the supply chain management, competitiveness and the performance of the Micro Small and Medium business of the fishery product in the North Minahasa Regency.

II. CONCEPTUAL FRAMEWORK

Supply Chain Management

Pujawan (2005) stated that the supply chain management is a management of activities in order to get the raw materials, transformed it to be goods in the process and become finished goods and send it to the customer through the distribution system. Afterward according to Indrajit and Richardus (2003) stated that the activities in this supply chain management consist of the traditional buying function add with other activities that is important to the relationship between the supplier with the distributor. Parties that involved in the supply chain according to Chopra and Meindl (2007,19) is supplier, manufacture included transportations, warehouse, retailer and the customer.

The concept of the supply chain management pressed in the how a company fulfilling the demand of the customer with creating a plus value which efficient and effective with doing the corporation with the parties with managing the flows of the goods, money or even information to fulfillment of the demand faster with the right amount of quantity therefore in the end will improved the whole supply chain performance (Anatan and Ellitan, 2008:98). The main aim of the supply chain management according to Pujawan, (2005) is to produce a cheaper, on time, and a quality to reach the aim of the company, while Chopra and Meindl (2007:6) stated that the aim of the supply chain is to maximize the whole value. Cooperation in the supply chain will make the company faster in responding the customer fulfillment.

The success of the supply chain management also defined by the coordination between companies whichit result the dependency between every activity. This coordination ability according to Malone and Crowston, (1994) were effect by the information sharing. Sharing informationin the supply chain management

are the effective coordination that allow a company to make a better decision, also in running it the operation of the company will use the all the resources more efficient so that it will effected the whole total cost and could be more responsive to face the customer demand (Mentzer, 2004) and also will improve the operational performance (Lewis and Talalayeski, 1997). According to Stank et al (1999) coordination between the companies will be formed from the effective communication, change of information, cooperation or partnering and doing evaluation to the performance. Based on the result of the Gosh, Anupam and Fedorowich (2008) found that the coordination in the supply chain through the sharing information will impact the performance. The availability of sharing the actual and factual that synchronize with supply chain management practice will success if it got the integration and according to Peterson et la (2004) explained that the information technology is an important tool in managing the modern supply chain with the increasing of the sharing information that fit the management supply chain that had been practiced.

The Competitiveness

The competitive advantage grew from the value that has been improved by the company to the customer that exceeded the company cost in creating it (Porter, 1993), while Hansen and Mowen (2000) opinion that the competitiveness is creating a better customer value with the same cost or lower cost compare with the competitor or create an equal cost or lower cost versus competitor.

Two competitiveness that can be owned by companyarelow cost and differentiation (Porter, 2003). The competitiveness is combined with the scope of activities that the company wants to achieve by producing 3 generic strategies to achieve over average performance in the industry, which is: cost advantage, differentiation, and focus. The focus strategy has two varieties which are cost focus and differentiation focus. The cost advantage strategy and differentiation is exploited the competitiveness in the wide range of industry segments, whilst the focus strategy is for the cost advantage or differentiation in narrower segments. The idea that underlying this generic strategy concept are the competitiveness is the core of every strategy and the competitiveness achievement make the company have to choose which competitiveness option that they want to achieve and in what scope activities the company will achieve it (Porter, 2003) Competitive Advantage is a position of enduring superiority over competitor in term of customer preference (Indrajit, Richardus and Djokopranoto. (2002). Source of the competitiveness advantage lays in the company ability to differentiate itself from other competitors also how it worked with low cost.

Company Performance

Bernardin and Russel (2000) defined that performance is the result that recorded from the job functions in a certain span of time. While according to Gibson et al., (1998: 179) performance is indicator which reflects success of a company and it is a product result that company members achieve. Performance also is the success in realizing goals and strategy through four angle of visions which is : financial, customer, process and learning, and growth (Muljadi 2007: p363).

Simanjuntak (2005) said that performance is the level of result achievement to reach goals through setting the target, goal, mission and vision of a company. Stonner, et al., (1996) stated that performance efficientand effectiveness is measure of a company or a manager in reaching the goals. Based on several meanings above can be concluded that performance is personal or group achievement in reaching goals efficiently and effectively personally or team doing all the job in a certain term of time. The company performance also is the result of activities or acts which a company did that could be seen from the company profit, service process relates in the customer satisfaction, and the company growth in reaching the company goals. The success and fail in reaching the goal are a base in decision making to the company to evaluate the performance and re-arrange the strategy fit to the company goal.

III.   THE RESEARCH HYPOTHESIS

In the description of the problem and objectives above then the research hypothesis is as follows:
1. Allegedly the supply chain management has the direct effect and significantinfluence on the competitiveness of the Micro small and medium business of the coastal community in the North Minahasa Regency.
2. Allegedly the supply chain management has the direct effect and significant influenceon the performance of the Micro small and medium business of the coastal community in the North Minahasa Regency.
3. Allegedly the competitiveness has the direct effect and significant influence on the performance of the Micro Small and Medium business of the coastal community in the North Minahasa Regency.

IV.   RESEARCH METHOD

This research is anexplanatory study that tests the hypotheses developed from the theoretical studies. In this research the hypothesis build and test it truth based on the data that had been collected through survey to

Micro Small and Medium Business of the fishery products of the coastal community in the North Minahasa Regency. The research had been done in the North Minahasa Regency with the Micro Small and Medium Business of the fishery-product of the coastal community as it object in some sub-district which are the Wori Sub-district, West Likupang Sub-district, Likupang Sub-district and Kema Sub-district.

In this study the population of the subjects are all the Micro Small and Medium of the fishery product that operate in the coastal area in the North Minahasa Regency. The sample of this research is the owners of the Micro Small and Medium Business that had been studied, as many as 41 respondents. To reach this research goal, data had been taken by interview and based on the questionnaire from the company whom is the sample of the research and secondary data came from the relevant agencies. The analysis tools that had been used was Partial Least Square (PLS) (Gozali, 2008)

Fig 1. Framework of the Research Model
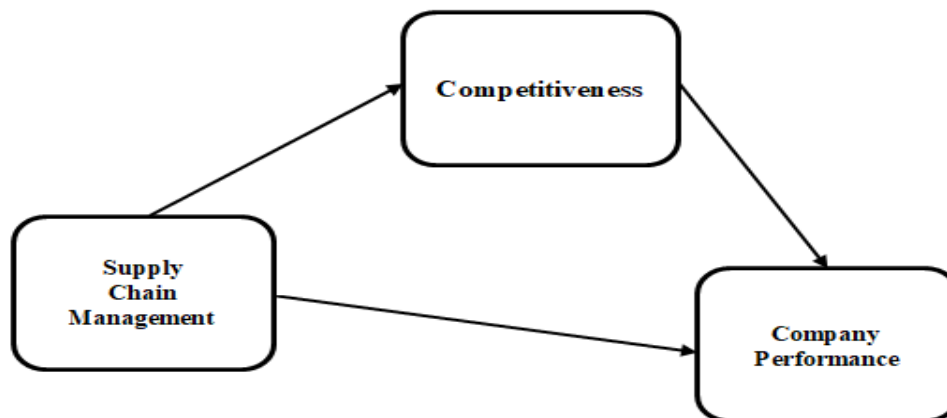
V. RESULT

General Description of the Respondent

The North Minahasa Regency with it Municipality in Airmadidi, is in North Sulawesi Province. The North Minahasa Regency located in a strategically suffice area because it situated between two city, which are Manado and Bitung. The North Minahasa Regency has 8873 Micro Small and Medium business activists that consist of various business types divided in 10 Sub-districts. To the coastal area like East Likupang Sub-district, West Likupang Sub-district, Wori Sub-district and Kema Sub-district most people has business in the fishery sector that are fisherman, the cultivation group, the processing and marketing fishery product group.

Fish is a perishable product or an easily damage product. Therefore it needs proper and rightfully handling, so that the product result has the better quality. The fishery products in North Minahasa Regency very various like wooden fish, salted fish, smoked fish. Very diverse both processed in modern or traditional way. This research respondent is the owner of the company or manager. The managers selected are person who had a lot of knowledge of the company, from the early step in planning to the supervision of the production process to the distributing the products. Manager also participate in formulated various policies in the company and lead the operational work. Therefore the right perception about the existence related to the supply chain management, competitiveness and the company performance. The respondent in the research seen based on the position and the education. Mostly the respondents are the highly rank manager 43 percent, middle rank manager 30 percent, and then the lower rank manager 27 percent. These respondents have a good enough of the education level. Mostly the respondents are High School graduated 54 percent, the Bachelor 24 percent, diploma 19 percent, and Magister 2 percent. The most respondent are High School graduated and averagely they have the skills in processing the fish from the family business from generation to generation or continuing the family business.

The relationship between the latent variable with the indicators each (outer model)
1. Supply Chain Management

The supply chain management consists of the strategic supplier partnership (SSP), Customer Relationship (CR) and Level Information Sharing (LIS). These three dimensions value theloading factors > 0.5 which means these three dimensions are able to form the supply Chain management variable. From that each dimension value of the loading factor (corr) which are resulted from its each indicators SSP are measure with 8 indicators, value of the loading factor all of it almost > 0.5 except the X.5 and X.7 indicators so that indicators must be removed from the model and the iteration had to be done again. The most dominant indicator influence in measuring the SSP dimension is the price fixing indicator X.4 with 0.821 points. The Customer Relationship

Dimension measured by using 7 indicators. From the calculation result of all of the indicators that have been used the value of the loading factor is >0.5. The most dominant is the indicator X.11 with the value of loading factor is 0.824. Meanwhile, the LIS dimension measured by using 5 indicators. From the result of calculation of all indicators that using loading factor value at >0.5. The most dominant indicator is X.19 with value 0,740. From this calculation result, the value of cross loading is a value that <0.5, that is X.14 then the next iteration done with removing the less indicator. From the result of the next iteration, the following values are generated:

**Table 1.** The Measurement Model of Supply Chain Management

Variable	Dimention	Indicator	Loading factor	D.Grho (PCA)	Cronbach Alpha	
SCM	SSP	X1.1	**0.753**	**0.885**	**0.840**	Valid danReliabel
		X1.2	**0.825**			Valid danReliabel
		X1.3	**0.854**			Valid danReliabel
		X1.4	**0.819**			Valid danReliabel
		X1.6	**0.695**			Valid danReliabel
		X1.8	**0.521**			Valid danReliabel
	CR	X1.9	**0.578**	**0.822**	**0.738**	Valid danReliabel
		X1.10	**0.636**			Valid danReliabel
		X1.11	**0.838**			Valid danReliabel
		X1.12	**0.792**			Valid danReliabel
		X1.13	**0.546**			Valid danReliabel
		X1.15	**0.517**			Valid danReliabel
	LIS	X1.17	**0.697**	**0.796**	**0.657**	Valid danReliabel
		X1.18	**0.652**			Valid danReliabel
		X1.19	**0.757**			Valid danReliabel
		X1.20	**0.700**			Valid danReliabel

Source: The Processed Data Result (2018)

Based on the result in the table above shows that the overall resultsof the indicators used are valid. For the SSP, the most dominant indicator is the X1.3 Indicator with value 0.854.Whereas the company always try to help the supplier to improve the product quality, meanwhile for the customer relationship, the most dominant indicator is X1.11 where the interaction with the customer are really important in helping the customer to set the standard, reliable and with higher respond. For theLevel Information Sharing the most dominant indicator is X1.19 with value 0.757, where the company always tried to exchange information with parties related to business planning. Based on the composite reliability andcrombach's alpha, all the value is >0.7 therefore these dimensions can be accepted in the reliability angle.

2. The Competitiveness
The Competitiveness variable in this research is consists of 5 indicators. We could see the counting result which got with the PLS XLstat 2016as follow

Fig.2. Competitiveness Variable with the Dimensions and Indicators
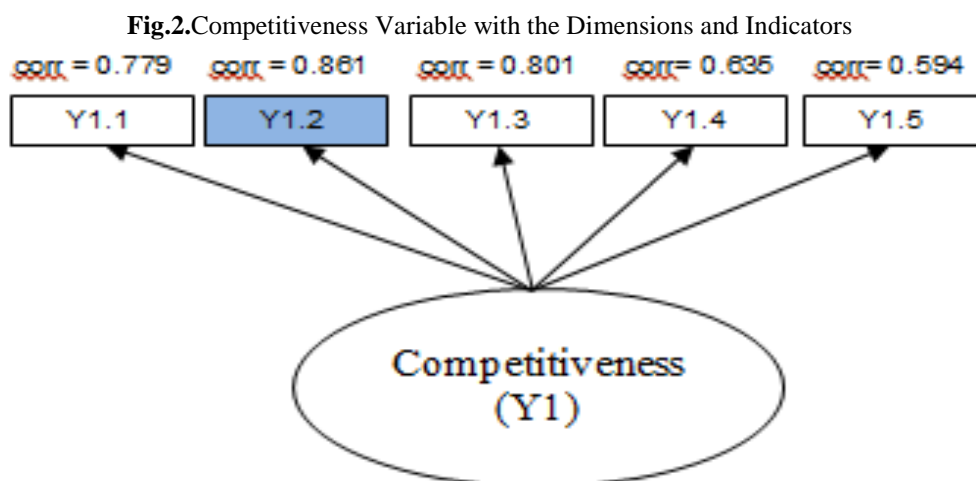
Source: Processed Result (2018)

Based on the analysis result of the competitiveness along with the indicators, of each indicator of the value of loading factors (corr) meanwhile the most dominant indicator that influenced to the variable is Y1.2.This means that all of indicators that used are able to explain the competitiveness variables or in other words the indicators are valid. In full, the measurement values produced are in the table.

Table 2. The Measurement Model of Competitiveness

| Variable	Indicator	Loading faktor	D.G.rho (PCA)	Cronbach's Alpha	
Competitiveness	Y1.1	0.779	0.860	0.795	Valid danreliabel
	Y1.2	0.861			Valid danreliabel
	Y1.3	0.801			Valid danreliabel
	Y1.4	0.635			Valid danreliabel
	Y1.5	0.594			Valid danreliabel

Source: The Processed result (2018)

Based on the table seen that all the indicators are used are valid in measuring the competitiveness. The most dominant indicator is Y.1.2 with 0.861 points. From the side ofcomposite reliability angle, the value of the loading factor is (corr)>0.7 so it reliability are acceptable. Meanwhile, the full alpha's cronbach is 0.795 means the competitiveness are reliable.

3. Company Performance
In this research, the company performance variable measured by using two dimensions and 10 indicators. The calculation result obtained by using the PLS XLStat 2016 can be seen in this picture below.

Fig 3. The Company Performance and its Indicators
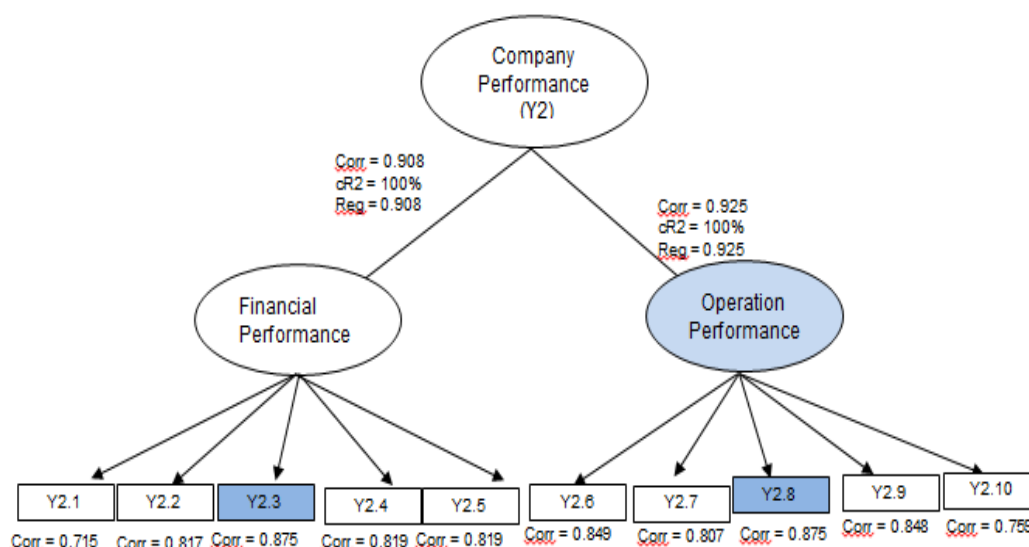
Source: Processed Result (2018)

In the picture above all the indicators loading factor value are(corr>0.5). Meanwhile the most dominant indicator influence the company performance variable is Y2.8 with value 0.875.

Table 3. The Measurement Variable of Company Performance

Variable	Dimension	Indicator	Loading factor	D.G. rho (PCA)	Cronbach Alpha	
Company Performance	FP	Y2.1	0.715	0.893	0.849	Valid and Reliabel
		Y2.2	0.817			Valid and Reliable
		Y2.3	0.875			Valid and Reliable
		Y2.4	0.819			Valid and Reliable
		Y2.5	0.718			Valid and Reliable
	OP	Y2.6	0.849	0.916	0.886	Valid and Reliable
		Y2.7	0.807			Valid and Reliable
		Y2.8	0.875			Valid and Reliable
		Y2.9	0.848			Valid and Reliable
		Y2.10	0.759			Valid and Reliable

Source : Processed Result (2018)

Table above showing that all the indicator used are valid to measuring the company performance with it each loading factor value (corr)>0.5. Based on the composite reliability value point > 0.7 means the variable used are reliable.

Relationship between the Latent Variable in the Research (Inner Model)
`   This section will examine the effect of the variable (X1) SCM consists of the Strategic Supplier Partnership (SSP), Customer Relationship (CR) and the Level Information Sharing (LIS) to (Y1) competitiveness also its effect to (Y2) company performance using the structural model(inner model) in PLS.The model compatibility test explains whether the theory used describes the phenomenon under study which can be seen in the statistic goodness of fit values (GoF), either it absolute, relative, outer and inner model. If the values of Gof closer to 1, indicate that the model relative are fit with data, Espositi (2010).

Table 4. The Goodness of Fit Value Table (GoF)

	GoF	GoF (Bootstrap)	Standard error
Absolute	0.544	0.543	0.036
Relative	0.763	0.750	0.034
Outer Model	0.986	0.961	0.028
Inner Model	0.773	0.780	0.021

Source : Processed Result (2018)

Based on the Goodness of Fit Value (GoF), absolute, relative, outer model or inner model, is more than 0.5 or closer to 1. Means the theory used in this research are able to describe the research phenomenon. The range of Gof Value are between 0-1, interpret 0.1 small GoF, 0.25 GofModerat and above the 0.36 is the big Gof. (Yamin and Kurniawan, 2011:21).

Result of the Influence of the SCM to the Competitiveness and the Company Performance
SCM consists of the Strategic Supplier Partnership (SSP), Customer Relationship (CR) and Level Information Sharing (LIS) to the Competitiveness and Company Performance.
H0: $\gamma 1 \leq 0$: there is no positive influence SCM (ζ) to the competitiveness ($\eta 1$) and the company performance ($\eta 2$)
H1: $\gamma 1 > 0$: there is positive influence SCM (ζ) to the competitiveness ($\eta 1$) and the company performance ($\eta 2$)
Based on the analysis result formed by SSP amount 0.896, CR amount 0,898 and LIS amount 0,762
The SCM contribution to the Competitiveness amount 0.320 or with other words the SCM have a huge amount of contribution amount 32% to the competitiveness of the Micro Small and Medium Business of Fishery Product in the coastal people in the North Minahasa Regency. It means every time there is change as many as one unit of the SCM will increase the competitiveness as big as 0.320. SCM contribution to the company performance amount 0.319 or in other words, SCM contribute as big as 31% to the performance variable. Based on result, can be concluded that H0 declined and the H1 accepted, because of the coefficient path of SCM (ζ) has the positive influence to the Competitiveness ($\eta 1$) as big as 0.320 and the Company Performance ($\eta 2$) as big as 0.319 or > 0.

The test result of the competitiveness to the Company Performance
From the calculation result of the competitiveness contribution to the company performance is equal to 0.094 or with other words the advantage of competitiveness contributed as big as 9 % to the performance. It means if a change of one unit occurs against competitiveness, it will increase the company performance by 0.094. Of the value of R^2 0.130 it means the company performance are explainable by the competitiveness 0.094 or the ability of the variable of the competitiveness advantage are showing the performance variable as big as 9 percent, meanwhile the rest of it are explained by the other factor. From the calculation, can be concluded that the H0 are declined and the H1 are accepted, because the coefficient of the competitiveness path ($\eta 1$) are positively influence to the company performance ($\eta 2$) as big as 0.094 or more than zero.

Result of influence SCM to the Company Performance through the Competitiveness
The influence SCM to the Competitiveness and the Company Performance could be seen in the following table.

Table 5. The SCM Contribution to the Company Performance through the Competitiveness

Relationship			Contribution		
			Direct	Indirect	Total
SCM	⇒	C	0.320		0.320
SCM	⇒	CP	0.319	0.030	0.349
C	⇒	CP	0.094		0.094

Source : Processed Result (2018)

Based on the table above, the SCM contribution to the Competitiveness is 0.032 or it contributed 32 percent to the competitiveness. More so, the competitiveness contribution to the performance are 0.094 or in other words the competitiveness 9 percent to the company performance, while the SCM direct contribution to the company performance are value of 0.319 or 31 percent whilst for the indirect contribution are value 0.030. The total contribution for the SCM variable on the company performance is 0.394 or 34 percent. Meaning the contribution of SCM to the company performance through the competitiveness are value 0,349.
From the result of R^2 is equal to 0.130 this means the company performance variable are explainable by the SCM variable and the Competitiveness is equal to 13 percent, meanwhile the rest of the other variable that didn't include in the research. From the calculation result, can be concluded that H0 are declined and the H1 are

accepted, because the SCM (ζ) has the positive influence to the company performance (η2) through the competitiveness (η1), is equal to 0,349 and > zero.

VI.   DISCUSSION AND CONCLUSION

Based on the calculation result using the PLS analysis showed that SCM that consist of the Strategic Supplier Partnership, Customer Relationship and Level Information sharing had the positive impact to the competitiveness of Micro Small and Medium Business on the fishery based products in the Coastal Area of North Minahasa Regency. The Competitiveness of the Micro Small and medium business in the Coastal Area of North Minahasa Regency, is dependent to the SCM practiced. If the SCM runswell, then the competitiveness will improve. To have the competitiveness, company need to maintain the customer relationship by producing product with good quality, do interaction with the customer about what they want, evaluated customer satisfactory and always assist the customer that need help. Company also need to improve the information sharing byproviding and brainstorming latest issues or idea which influence the business process.

 The company needs to maintain the relationship with the supplier, especially regarding the supplierperformance evaluation with raw materials quality and the availability of raw material. The result support the previous research by Palandeng et al, (2016); ChonticaMathuramaytha (2011) explained that the SCMdoes effected the competitive advantage which can also be concluded that competitiveness will improve if the company maintain the relationship with customer, had a good partner (supplier) and also able to shareinformations that will eventually effect the business. According to Watabene, (2001) company which applied the SCM practice will increase it productivity and will gain profit by the increasing of the productivity. This research result also supported by Betchel and Jayaram (1997) which explained the higher the SCM applied level, then the competitiveness will be higher as well and it will affect the company performance. The result of the SCM applied practice will create competitiveness to the company.

The result of this research also found that SCM positively affect the company performance. It means the Micro Small and Medium Business company performance based on the fishery product in the Coastal Area of North Minahasa Regency are affected by the SCM practiced. Means the performance really dependent to the SCM practice each company did.

The result of this researchis accordancewithPalandeng I.D et al (2016); Gimenez and Ventura (2002); Arumugam et al (2011) and Arawati (2011) that statedSCM had positive and significant effect to the company performance. Based on this research and previous research can be concluded that the SCM practice does affected the company performance.

The performanceof the Micro Small and Medium Business on the Fishery based products in the Coastal Area in the North Minahasa Regency need to be improved so it can affect the financial performance and the company overall operational performance. The company production system needs to improve by implementing innovation in technology. In term of quality, company need to produce more qualify product, more variety and et cetera with cooperation with a good supplier with qualifiedand continuity raw materials so that the production process can be done well. The customer satisfactory is the most important thing to the company. The relationship between company and the customer needs to be maintainedby providing a good quality product with competitive price. The interaction with the customer is very important so the company can meet the customer expectation and desire. That's why it is very important to the company to always do the customer satisfactory evaluation and willing to assist the customer in time in need.

Based on the result of the analysis it is known that the competitiveness affected company performance. It means the company performance of the Micro Small and Medium Business in fishery based products in the coastal area of the North Minahasa Regency very dependent to the competitiveness practice. By that the Micro Small and Medium Business on fishery based product in the North Minahasa Regency need to maintain and improve the competitiveness that they already have byproducing a product that have a competitive price, better quality, faster delivery process, correct order, and fast response in product innovation that based on the customer wants and needs.

Palandeng research, (2016) (2018); Sumarauw, Jacky (2013) Li et al (2006) found there is competitiveness advantage affect to the company performance. This competitiveness advantage can be explain that when accompany have the competitiveness advantage it will increase the company competitiveness. According to Porter (2005) the competitiveness advantage will increase the company competitiveness. Based on the previous research result and support can be concluded that the company performance are depend on the company competitiveness. The research result supported The Net Theory by Easton (1992) which explain that when we good in maintaining the good relationship both with supplier and the customer (relationship of the supplier and customer) it will support the company in operational running (production process). A net must be managed with a supply chain management approach so it can produce a product with better quality, cheaper and faster respond. The supply chain management according to Pujawan (2005) had 3 flows that need to manage which is the goods flow, the cash flow and the information flow. Based on the findings we can see that other

than the goods flows from the upstream to the downstream, and the cash flows from the downstream to upstream, there is also the information flows that flows back and forwards from the upstream to downstream and from the downstream to upstream. The information flow is the element that determined the SCM practiced. The lack of information or a misinformation in the supply chain management will cause a more expense cost or inefficient, such as surplus of stock, low service to the customer, lost profit, incorrect planning capacity, passive transportation, and incorrect production schedule (Lee et al, 1997).

1. Based on the calculation result showed the supply chain managementhas consist of the strategic supplier partnership, Customer Relationship and Level Information Sharing pointed a positive effect on the competitiveness to the Micro Small and Medium Business on the fishery based product in the Coastal Area of the North MinahasaRegency. The competitiveness heavily depended to the Supply Chain of Management practiced. If the supply chain of management are runs well, so does the competitiveness will improve

2. The research result pointed a positive effect on the supply chain management to the company performance. Means the Micro Small and Medium Business on the fishery 1based product in the Coastal Area of the North Minahasa Regency company performance are affected and depended by the Supply chain management practiced.

3. From the analysis result known that the competitiveness affected the company performance. Means that the company performance of the Micro Small and Medium Business on the fishery based product in the Coastal Area depended on the competitiveness practiced. That's why the business company of the Micro Small and Medium Business in the Coastal Area of the North Minahasa Regency have to maintain and improve the competitiveness that they already had by producing a product that have a competitive price, better quality, faster delivery process, correct order, and fast response in product innovation that based on the customer wants and needs.

VII.   SUGGESTION

1. To have the competitiveness a company needs to maintain customer relationship by producing agood quality product, interact with the customer about what they want, evaluate the customer satisfactory level and always assist the customer in needs. Company also have to improve the information sharing by providing information to supplier, sharing information about issues that affect business and also sharing knowledge about the business process to each other. Company has to maintain the relationship with the supplier as well, such as doing the evaluation of the supplier performance quality. Especially regardingquality and the availability of raw material.

2. The improvement of company performance of the Micro Small and Medium Business in the Coastal Area of the North Minahasa Regency are needed so that it can affect the financial performance and the overall operational performance. The company production system needs to improve by implementing innovation in technology. In term of quality, company need to produce more qualify product, more variety and et cetera with cooperation with a good supplier with qualified and continuity raw materials so that the production process can be done well. The customer satisfactory is the most important thing to the company. The relationship between company and the customer needs to be maintained by providing a good quality product with competitive price. The interaction with the customer is very important so the company can meet the customer expectation and desire. That's why it is very important to the company to always do the customer satisfactory evaluation and willing to assist the customer in time in need.

REFERENCES

[1].   Anatan, Lina (2010) Effect of Supply Chain Management Practices on Supply Chain Performanceand Competitive Advantage. KarismaVol. 4 (2): 106-117.

[2].   Anatan, LinadanEllitan Lena (2008) Supply Chain Management. TeoridanAplikasi: Edisikesatu.Bandung Alfabeta.

[3].   Arawati, Agus (2011). Supply Chain Management, Product Quality and Business Performance, International Conference on Sociality and Economics Development IPEDR. Vol 10 IACSIT Press, Singapore.

[4].   Arumugam, Veeri Chettiar, Rouhollah, and Mojtahedzadeh (2011) Relationship between SCM practice and performance in the Iranian Industries: A Theoretical Approach. International Journal of academic Research 3(4) 594-599

[5].   Bechtel, C., and Jayaram, J. (1997). Supply Chain Management – A Strategic Perspective. The International Journal of Logistics Management, 8(1), 15-34.

[6].   Bernardin and Russel, (2000) Human Resource Management Singapore. Mc Grow Hill,Inc.

[7].   Chonticha Mathuramaytha (2011) Supply Chain Collaboration – What's an outcome?

[8].   Chopra, Sunil and Peter Meindl. (2007). Supply Chain Management: Strategy, Planning and Operations. Fifth Edition. Prentice Hall Inc., Upper SaddleRiver, New Jersey.

[9].   Claycomb, C., Droge, C., and Germain, R. (1999). The effect of just-in-time with customers on organizational design and performance. International Journal of Logistics Management 10(1), 37–58

[10].   Easton, G (1992) Industrial Network-Review. University of Lancaster

[11].   Gibson, Ivancevic dan Donnely, (1998) Organisasi dan Manajemen. Perilaku Struktur. Edisi keempat. Erlangga Jakarta.

[12].   Gimenez,C, Eva Ventura (2002) Supply Chain Management as a Competititve Advantage In The Spanish Grocery. The International Journal of Logistics Management 14(1), 77-88

[13].   Ghozali (2008) ModelPersamaanStrukturalKonsepdanAplikasidenganProgramAmos16.0,BadanPenerbitUNDIP,Semarang

[14]. Gosh, Anupam dan Fedorowich (2008) the role of trust in Supply Chain Governance. Business Process Management Journal. Vol 17 (5) pp 453-470
[15]. Gunasekaran, A., Patel, C., Tirtiroglu, E., (2001), Performance Measurement and Metrics in a Supply Chain Environment, International Journal of Production and Operations Management
[16]. Hansen, Don R. And Maryanne M. Mowen (2000).Managemen Accounting. 5th Edition. Cincinnati-Ohio: South-Western College Publishing.
[17]. Indrajit, Richardus and Djokropranoto.(2002).Konsep ManajemenSupplyChain: StrategiMengelolaManajemenRantaiPasokan bagi Perusahaan Modern di Indonesia. PT. Gramedia Widiasarana Ind, Jakarta.
[18]. Indrajit, Richardus and Djokropranoto, (2003) Supply Chain Management Concept, Edisi Pertama, Jakarta, PT. Grasindo
[19]. Lambert DM, Cooper MC, dan Pagh JD. (1998) Supply chain management:implementation issues and research opportunities. InternationalJournal of Logistics Management 1998;9(2):1–1
[20]. Lee, Hau L., V. Padmanabhan, and Seungjin Whang. (1997). Information Distortion in a Supply Chain: The Bullwhip Effect. Management Science. Vol. 43(4): 546-558.
[21]. Lewis , I., and Talalayevsky. A (1997). Logistics and Information Technology: A coordination perspective. Journal of Business Logistics, 18(1), 141-157
[22]. Li, Ragu-Nathan, B., Ragu-Nathan, T. S. and Subba Rao, S. (2006). "The Impact of Supply Chain Management Practise on Competitive Advantage and Organizational Performance," Omega, 34(1). 107 – 124
[23]. Malone and Crowston, (1994) The Interdisciplinary Study of Coordination. Computing Survey V0l 26 (1) pp 87-119
[24]. Mentzer, J.T. (2004). Fundamental of Supply Chain Management, Thousand Oaks, California: SAGE Publications.
[25]. Mulyadi (2007). Sistem Terpadu Pengelolaan Kinerja Personel Berbasis Balanced Scorecard. Sekolah Tinggi Ilmu Manajemen YKPN, Yogyakarta
[26]. Palandeng.I.D, Kindangen. P, Tumbel A, Massie, J (2016)The Effect of Supply Chain Management On Competitive Advantage and Firm Performance (Case Study: the fish processing industry in Bitung North Sulawesi Province in Indonesia). Journal of Research in Business, Economics dan Management (JRBEM) Vol 7:4 (2016).
[27]. Petterson. K.A, Grimm. C.M, and Corsi T.M (2004) Diffusion of Supply Chain Technologies, Transformation Journal 43 (3) pp 5-23
[28]. Porter, M.E, (1993)KeunggulanBersaing:Menciptakandan MempertahankanKinerjaUnggul. Edisi 2 Jakarta, Erlangga
[29]. Porter (2005) Competitiveness Framework—Recent Learnings and New Research Priorities
[30]. Pujawan, I.N. (2005). Supply Chain Management. Penerbit Guna Widya. Surabaya.
[31]. Pujawan, I. N., dan Mahendrawati. (2010). Supply Chain Management. Surabaya.: Penerbit Guna Widya
[32]. Sheridan, J. H. (1998). The supply-chain paradox. Industry Week 247(3), 20–29.
[33]. Simanjuntak, Payaman J. (2005). Manajemen and Evaluasi Kinerja. Jakarta: FE UI.
[34]. Stank, Keller and Daugherty. (2001). Supply Chain Collaboration and Logistical service Performance. Journal of Business Logistic 22(1) 29-48
[35]. Stoner, James A.F., Freeman Edward and Andiel Gilbert, (1996), Manajemen. Edisi Bahasa Indonesia. Gramedia Group, Jakarta.
[36]. Stuart dan McCutcheon (1996) Sustaining Strategic Supplier Alliances: Profiling the dynamic requirements for continued development", International Journal of Operations & Production Management, Vol. 16 Issue: 10, pp.5-2
[37]. Sumarauw, Jacky. (2013)Pengaruh Manajemen Rantai pasokan Terhadap Keunggulan Bersaing serta DampaknyaTterhadap Kinerja Perusahaan pada Industri Kelapa di Propinsi Sulawesi Utara. Disertasi.
[38]. Tan, K. C., Kannan, V. R., and Handfield, R. B. (1998). Supply Chain Management: Supplier performance and firm performance. International Journal of Purchasing and Materials Management 34(3), 2–9.
[39]. Watanabe, Ryoichi, (2001) Supply Chain Management Konsep dan Teknologi, Usahawan, Februari, Jakarta.
[40]. Malone, T.W. and Crowston, K. (1994), "The interdisciplinary study of coordination", Computing Surveys, Vol. 26 No. 1, pp. 87-119.
[41]. Malone, T.W. and Crowston, K. (1994), "The interdisciplinary study of coordination", Computing Surveys, Vol. 26 No. 1, pp. 87-119Malone and Crowston, (1994)