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Optimizing Supply Chain Management Strategies in Improving Supply Performance

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Abstract
This study aims to determine the influence of supply chain management in improving supply chain operational performance. The research method uses a quantitative approach. The population in this study is retail stores in Cempaka Cianjur District totaling 100 retail stores with a sample framework using purposive random sampling techniques. The data analysis technique is Partial Least Square Structural Equation Modelling (PLS-SEM). The results of the study explain that 1) Supply chain organization does not have a significant influence on the supply chain strategy. 2) Supply agility has a significant influence on the supply chain strategy. 3) Supply chain organization has no significant influence on supply performance. 4) Supply agility has a significant influence on supply performance. 5) Supply chain strategy has a significant influence on supply performance.

Keywords: SCM; Supply Chain Organization; Supply Agility; Supply Chain Strategy; Supply Performance.

Introduction

The business world today continues to compete to create a variety of consumer needs that are increasingly growing and increasingly intelligent in choosing their needs. From the middle to upper class, the best quality and affordable prices are always in demand. The economy has undergone major changes, especially in developing countries such as Indonesia which are increasingly improving, such as in the economic and development sectors (Revaldiwansyah & Ernawati, 2021). The rapid development of information technology, communication, and production processes causes the product life cycle to be short. Therefore, every company strives as much as possible to increase productivity, efficiency, and fast and easy service and continues to create innovations to stay ahead and survive in the market. In addition to increased productivity and efficiency, companies must also understand and know what consumers need (Pujawan & Mahendrawati, 2010).

Supply chain management assumes that a company forms alliances with the same chain members to increase its competitive advantage, which is manifested in the superior operational efficiency of all chain members. The concept of SCM is influenced by various fields such as procurement and logistics and is evolving from a process integration perspective to a newer systemic and strategic perspective (Bag et al., 2021). From a process integration perspective, different members of the same supply chain join forces to coordinate specific transactions to improve end-customer satisfaction. From a systemic and strategic perspective, the company

invests resources and efforts to achieve a unique chain strategy that leads to a competitive advantage through lower costs and better customer satisfaction (Monalisa & Apsyarin, 2021).

Before SCM can be developed, supply chain members must have certain behaviors called *Supply Chain Orientation* (SCO), such as trust, commitment, shared vision and goals, or support from top management. The concepts of SCO and SCM are two related but different concepts. SCO is related to the company and precedes SCM, which in turn must be applied to the various companies that make up the chain (Utami & Kusumawardhani, 2021). Presenting an SCM framework that includes three dimensions such as the structure of the supply network, characterized by strong relationships between members, low vertical integration, and powerless relationships; long-term relationships managed through effective communication, cross-functional teams, initial involvement of suppliers in key projects and planning processes; and logistics integration (Utami & Kusumawardhani, 2021). According to Muhammad (2020) Explaining that the role of all parties – suppliers, manufacturers, distributors, retailers, and customers in creating cheap, quality, and fast products – gave rise to a new concept called supply chain management. The term supply chain was first used by some logistics consultants in the 1980s and then further analyzed by researchers in the 1990s when the concept of supply chain management was born (Alhidayatullah, Syakir, et al., 2024).

SCM is a second-order structure that includes agreed vision and goals, knowledge sharing, risk and responsibility sharing, collaboration, agreed supply chain management, long-term relationships, and process integration (Alhidayatullah, Amal, et al., 2024). Influential contributions in producing five constructions to represent SCM, such as information sharing, long-term relationships, risk and reward, collaboration, and process integration. The exchange of information is a continuous flow of communication between partners, occurring formally or informally, which contributes to better planning and control of the supply chain (Wamba et al., 2021).

According to Prasetyo et al., (2022) He further explained that supply chain management is essentially an extension and further development of the concept and meaning of logistics management. Logistics management also plays a role in controlling the flow of goods and supply chains includes for example. Goods and growth involve things that customers need. According to Prasetyo et al., (2022), Companies must consider supply chain issues to ensure that the supply chain supports the overall strategy of the company. Therefore, supply chains are designed to support operations management strategies. Supply chain management considers all the facilities and costs necessary to meet consumer needs to achieve the lowest possible costs and maximum service (Lestari et al., 2021).

The relationship between suppliers and producers must be healthy and maintained, because the company's dependence on suppliers is very high and long-term. After all, both large and small companies always carry out logistics activities. Therefore, a well-integrated supply chain is necessary so that the competitive advantage of the products produced can be improved (Lestari & Sutrisna, 2021). Companies in the manufacturing and service sectors, generally strive to maximize their profits by implementing good, efficient, and effective management processes as well as the role of managers in planning, controlling, and making the right decisions based on

information related to the processes to be used. Costs in the organization (Alexandre, 2020). Relevance to today's business challenges *Supply chain management (SCM) strategy* is becoming increasingly important in an increasingly complex and connected business world. This research directly addresses actual business challenges related to supply chain efficiency, flexibility, and reliability. Based on the results of the pre-survey that was found, problems were found in several retail businesses, such as the obstacles besides lying in the capital, it turns out that suppliers also have a big influence on the sustainability of existing retail stores. Especially in retail stores that are closed, the main obstacle faced is due to the long reach so that there is no availability of suppliers who come.

There are several problems faced based on the pre-survey conducted, namely suppliers coming only once a month, causing the operation of the retail store's business activities to be hampered. In addition, the obstacle that is currently being faced in several retail stores is the poor quality of supply goods. In addition, there is a *research gap* between previous studies. Research from Lee (2017) stated that more comprehensive research is needed to compare the effectiveness of various SCM strategies in improving supply performance. Research from Brown (2018) More in-depth research is needed on how cooperation with business partners can be optimized to improve supply performance. From the description and research gap above, this study aims to analyze and explain the influence of supply chain organization and supply agility in improving supply chain performance through supply chain strategy.

Literature Review and Hypothesis Development

Supply Chain Management

A supply chain is a network of companies working together to create products and deliver them to the end user. Such companies usually include suppliers, factories, distributors, shops or retailers, and supporting companies such as logistics service companies (Sucahyowati, 2011). A supply chain is an integrated process where many entities work together to source raw materials, convert raw materials into finished products, and deliver them to retailers and customers (Kshetri, 2018). The supply chain is not only the supplier, manufacturing, customer, and delivery process units, but also the system by which an organization distributes its manufacturing goods and services to its customers.

The supply chain is a set of activities related to a network of facilities and distribution options, which includes all interactions between suppliers, companies, manufacturers, distributors, and consumers who carry out activities of supplying and handling materials into semi-finished products and finished products and selling finished products to customers (Stadtler, 2015). In particular Stadtler (2015) Adding to the supply chain, there are generally three types of flows that must be managed, the first is the flow of goods, which flows from upstream to downstream, such as raw materials sent from suppliers to factories, After the product is made, sent to wholesalers, then to retailers or distributors, and finally to the end consumer. The second is cash flow and the like that flows from the bottom up. The third point is the flow of information, it can be from upstream to downstream or vice versa. Retailers and factories often need

information about product inventory in each supermarket. Factories often also need information about the availability of production capabilities from their suppliers.

Supply Chain Organization

An organization is a group of people who come together to work toward achieving a common goal, participate in common activities, and build professional relationships (Coller, 2022). Organizations are a tool to achieve goals, where people can come together and collaborate to manage business effectively and competitively. A supply chain is a network that moves resources, payments, information, and services from raw material suppliers to the companies that make products, then to warehouses, and finally to customers (Chopra & Meindl, 2019). The task of a supply chain organization is to manage the supply chain function in such a way that customer value is maintained for the future.

Supply Agility

Agility is an important part of supply chain innovation (Tan et al., 2017). Additionally, agility is considered the most important component of success in today's competitive environment because it helps to meet market demands. The agility of a company's supply chain affects its financial performance. Moreover Arora & Gigras (2018) found in its analysis that increased supply chain agility has the potential to improve a company's financial performance. According to Koray Ozpolat et al., (2016) The importance of agile organizations is to respond quickly to customer needs, bring new products to market quickly and achieve strategic alliances with customers.

Supply Chain Strategy

Strategy is an action plan of an organization to achieve its goals. Strategy is a model or plan that summarizes the main goals, policies, and actions of an organization (Altay et al., 2023). In addition, supply chain management strategies have emerged as a strategic tool to improve competitiveness and have become a major concern of top management companies. However, integrated supply chain management must also be considered.

Supply Performance

Operational performance can be characterized as the ability to meet customer needs, respond to market changes, deliver goods on time and with high quality, reduce the time required to fulfill orders, reduce overhead costs, and reduce inventory costs (Rajaguru & Matanda, 2019). An organization's strategic cooperation with other companies means logical, *efficient,* and *effective work* to do something. Supply chain operational activities consist of a series of actions and activities that begin with the acquisition of raw materials and end with the delivery of finished products to consumers (Wong et al., 2021). Organizational performance is the sum of the company's operational and competitive characteristics resulting from supply chain integration (Rajaguru & Matanda, 2019). Managers must understand the variables that affect business performance to achieve positive business performance and achieve goals. The ability of a

company to achieve its goals through the effective and efficient use of resources is called performance.

Hypothesis Development

The Influence of Supply Chain Organization on Supply Chain Strategy

There is an influence of supply chain organization on supply chain strategy. Emphasizing the importance of strong integration between various parties in the supply chain, such as suppliers, manufacturers, and distributors, to improve the efficiency and effectiveness of supply chain strategies (Cao & Zhang, 2011). According to this theory, good integration allows organizations to share information more smoothly, align business processes, and collaborate with supply chain partners. As a result, organizations can make more timely and accurate strategic decisions, respond more quickly to market changes, and achieve their business goals more efficiently.

H1: There is a significant influence of supply chain organization on supply chain strategy

The Effect of Supply Chain Agility on Supply Chain Strategy

There is an influence of supply chain agility on supply chain strategy, emphasizing the importance of agility in the face of uncertainty and disruption in the operational environment (Ponomarov & Holcomb, 2016). According to this theory, more flexible and adaptive supply chains have a better ability to respond to market changes, production disruptions, or natural disaster events. By having a supply chain strategy that is more focused on agility, organizations can reduce the risk of loss and accelerate recovery after disruptions.

H2: There is a significant influence of supply agility on supply chain strategy

The Influence of Supply Chain Organization on Supply Performance

There is an influence of supply chain organization on supply performance (Cachon & Fisher, 2013). According to this theory, vertical integration, which is the merger of multiple stages in a supply chain under a single entity, can improve the operational efficiency and performance of the supply chain.

H3: There is a significant influence of supply chain organization on supply performance

The Effect of Supply Chain Agility on Supply Performance

There is an effect of supply chain agility on supply performance (Ponomarov & Holcomb, 2016). The effect of supply agility on supply chain operational performance can be explained by the concept *of Resilience Theory*. This theory suggests that supply agility, i.e. the ability of a supply chain to adapt and recover quickly from disruptions or unexpected changes, has a significant impact on operational performance. Supply chains that are more flexible and adaptive have a better ability to face challenges such as changes in market demand, production disruptions, or natural disaster events. Thus, supply agility can improve operational efficiency, reduce risk

costs, and ensure the smooth flow of goods and information in the supply chain (Ponomarov & Holcomb, 2016).

H4: There is a significant influence of supply chain agility on supply performance

The Influence of Supply Chain Strategy on Supply Performance

There is an influence of supply chain strategy on supply performance, where strong integration between various elements in the supply chain, such as suppliers, producers, and distributors, can improve overall supply performance (Lambert & Enz, 2017). According to this theory, good integration allows for smoother information exchange, synchronization of business processes, and more effective collaboration between supply chain partners. This allows organizations to reduce operational costs, optimize inventory, improve production efficiency, and increase responsiveness to customer demand.

From the description of the hypothesis development above, the research model can be described as follows:

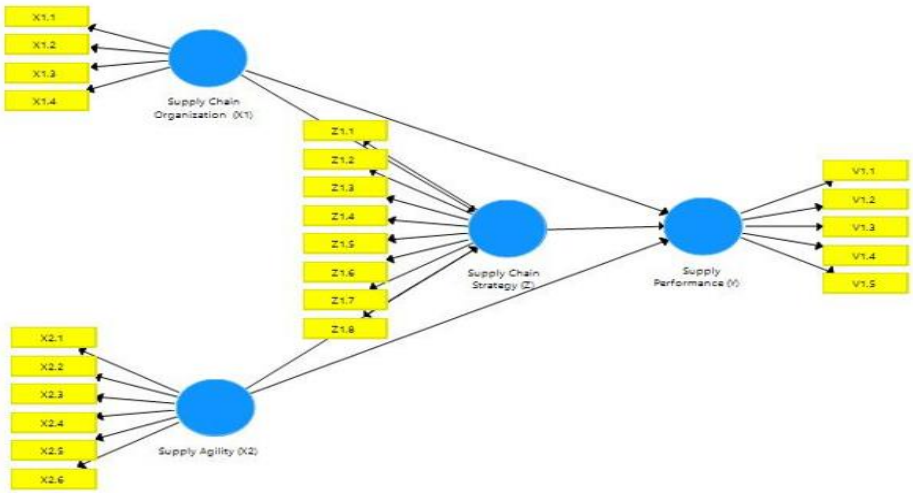

Figure 1. Research Model

Method

Types and Objects of Research

This study uses a quantitative method with the type of explanatory research with the type of causal research, which is research that aims to explain the causal relationship between variables through hypothesis testing (Sugiyono, 2019). The research objects in this study are supply chain organization, supply agility, supply chain strategy, and supply performance. Meanwhile, the subject and location of the research are retail stores in Cempaka Cianjur District.

Data Source

This study uses primary data, namely data collected from the distribution of questions or questionnaires with data analysis techniques including *outer and inner models* and *bootstrapping*, with the help of smartPLS software.

Population and Sample

A population is a combination of all elements in the form of events, things or people who have similar characteristics that are the center of attention of a researcher because it is seen as a study (Ferdinand, 2014). The population of this study is retail stores in Cempaka Cianjur District, with a total of 100 respondents. This study is called population research because all members of the population of 100 people are used as research samples. The sampling technique used in this study uses *a purposive random sampling* technique.

Data Analysis Techniques

The analysis technique using Structural Equation Modeling (SEM) with *a second-order* model is a statistical method used to test and develop complex conceptual models (Ferdinand, 2014). *Partial Least Squares Structural Equation Modeling* (PLS-SEM) is one of the methods in SEM analysis. PLS is known as a "predictive cause-and-effect" approach, which focuses more on explaining variance in dependent variables. This method is designed to overcome some of the limitations that exist in SEM (Hair et al., 2022).

Results and Discussion

Characteristics Respondent

The description of the respondents in this study is 100 retail stores located in Campaka Cianjur District, Cianjur Regency with categories based on domicile and business age have been running for at least 1 year, have a turnover of at least 3 million/month, and have suppliers. It can be seen in the table below:

Table 1. Characteristics of Respondents

No	Information	Frequency	Percentage
1.	**Domicile**		
	Cimenteng	28	28%
	Cidadap	12	12%
	Sukajadi	13	13%
	Girimukti	8	8%
	Karya Mukti	13	13%
	Susukan	3	3%
	Margaluyu	8	8%
	Wangunjaya	3	3%
	Sukadana	7	7%
	Mekarjaya	5	5%
2.	**Business Age**		
	1 Year	27	27%
	> 3 Years	49	49%
	> 5 Years	24	24%
	Sum	380	100%

In the measurement model, the evaluation of the PLS model is carried out through 2 stages, namely the evaluation of the measurement model (outer model) and the evaluation of the structural model *(inner model)* by testing the hypothesis using the *bootstrapping method.*

Outer Loading

The evaluation of the measurement model, often called *outer relation* or *measurement* model, defines how each block of indicators relates to its latent variables. The measurement model in this study is a reflexive measurement model, so in testing the validity several criteria can be used, namely convergent *validity,* discriminatory validity, *or* by using the average value of variant extraction commonly called AVE *(Average Variant Extracted).* Meanwhile, in measuring reliability, composite *reliability,* and *Cronbach's alpha* can be used. From the results of this estimation, it is proven that the indicator indicators used in this research variable have met convergent validity.

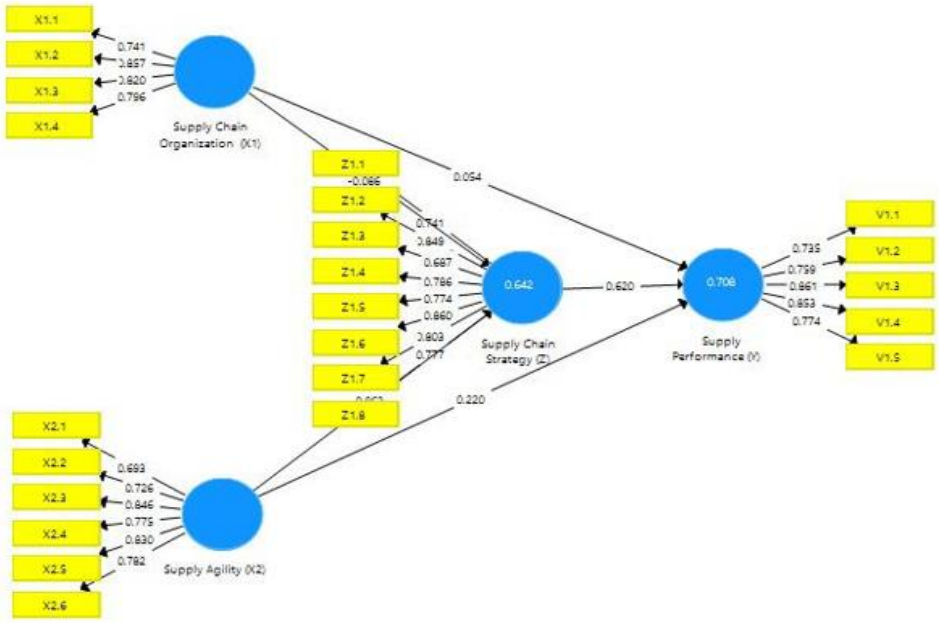

Figure 2. Full Model

Convergent Validity

The convergent validity of PLS was obtained from the results of *the outer loading* test. Where the individual relative size is >0.70, it can be said to have high validity (Ghozali, 2021). Referring to the theory used, if the size of the indicator is less than 0.70, it indicates that the indicator can be said to not meet the *convergent validity* value. The method is to *drop* the indicator with a value of < 0.70 until the value is greater than 0.70 and can be said to meet the *convergent validity value.* The following is an interpretation of the outer loading value that has passed the elimination stage for indicators that have a value of <0.70.

Table 2. Outer Loading Value

Leave it variable	Indicator	*Loading Factor*	Information
Supply Chain Organization	X1.1	0,742	Valid
	X1.2	0,857	Valid
	X1.3	0,820	Valid
	X1.4	0,795	Valid
Supply Agility	X2.2	0,733	Valid
	X2.3	0,854	Valid
	X2.4	0,781	Valid
	X2.5	0,853	Valid
	X2.6	0,784	Valid
Supply Chain Strategy	Z1.1	0,740	Valid
	Z1.2	0,854	Valid
	Z1.4	0,785	Valid
	Z1.5	0,794	Valid
	Z1.6	0,867	Valid
	Z1.7	0,815	Valid
	Z1.8	0,786	Valid
Supply Performance	V1.1	0,735	Valid
	V1.2	0,762	Valid
	V1.3	0,859	Valid
	V1.4	0,850	Valid
	V1.5	0,775	Valid

Source: Processed by Researcher, 2024

Discriminant Validity

Another way to assess *discriminant validity* is to compare *the Average Variance Extraced* (AVE). A model with sufficient *discriminant validity* if the AVE value is greater than the correlation between the construct and other constructs or the AVE value must be greater than 0.50. The AVE values in this study are as follows:

Table 3. AVE Scores

Leave it variable	AVE
Supply Chain Organization	0,647
Supply Agility	0,644
Supply Chain Strategy	0,649
Supply Performance	0,636

Source: Processed by Researcher, 2024

Based on Table 3 above, shows that the AVE value for each construct in this study is more than 0.50 (>0.50), meaning that the variables of supply chain organization, supply agility, supply chain strategy, and supply chain operational performance meet *the criteria of good* discriminant validity.

Composite Reliability

The *composite reliability* value of ρς >0.8 can be said to mean that the construct has high reliability or is *reliable* and ρς >0.6 is said to be quite *reliable.* The composite *reliability* values in this study are as follows:

Table 4. *Composite Reliability Value*

Leave it variable	*Composite Reliability*	Information
Supply Chain Organization	0,880	Reliable
Supply Agility	0,900	Reliable
Supply Chain Strategy	0,928	Reliable
Supply Performance	0,897	Reliable

Source: Processed by Researcher, 2024

Based on Table 4 above, the *composite reliability* value of each construct is greater than 0.8. This shows that all constructs in the estimated model have high reliability and meet the reliability criteria.

Cronbach's Alpha

The reliability test can be strengthened by looking at *Cronbach's Alpha value,* and it is said to be good if it is >0.5 while it is sufficient if it is >0.3. The following *Cronbach's Alpha values* are illustrated in Table 5 below.

Table 5. *Cronbach's Alpha Value*

Leave it variable	*Cronbach's Alpha*	Information
Supply Chain Organization	0,818	Reliable
Supply Agility	0,810	Reliable
Supply Chain Strategy	0,909	Reliable
Supply Performance	0,856	Reliable

Source: Processed by Researcher, 2024

Based on Table 5, the *Cronbach's Alpha* value in each construct has a value greater than 0.5 This shows that all variables have good reliability.

Inner Model

Testing of the structural model (Inner model) is carried out after the model meets the criteria of the outer model. The inner model is evaluated by looking at the percentage of variance

described, namely by looking at the R-squares value, the estimated value of the path coefficient, the value, and the value of Q-squares.f^2

***R-Squares* (R2)**

Changes in *the R-squares value* can be used to assess the influence of each independent latent variable on the dependent latent variable. The criteria for *the R-squares* value for endogenous variables in the structural model indicate that the good model is more than 0.67, the moderate model is more than 0.33 and the model is indicated to be weak at below 0.33 and 0.19. The values R^2 in this research model are shown in the following Table 6.

Table 6. *R-Square* Value

Variable	*R-Squares*	Information
Supply Performance	0,683	Good
Supply Chain Strategy	0,630	Moderate

Source: Processed by Researcher, 2024

Based on Table 6, it can be explained as follows:

1. *R-square* for supply performance of 0.683. This means that the ability of independent variables, namely supply chain organization, supply agility, and supply chain strategy to explain the variables of supply chain operational performance is 68.3%. And the remaining 31.7% (100% - 68.7%) was explained by other variables that were not studied in this study.
2. *The R-square* for the supply chain strategy is 0.630. This means that the ability of the independent variables, namely supply chain organization and supply agility to explain the supply chain strategy variables, is 63%. And the remaining 37% (100% - 63%) was explained by other variables that were not studied in this study.

Prediction Relevance (Q2)

A Q-Square *value* of 0 or greater than 0 (zero) indicates that the model has a Q^2*predictive relevance* value, while a *Q-Square* value less than or equal to zero (0) indicates that the model lacks *predictive relevance.*

Table 7. *Q-Squares Value*

Variable	*Q-Squares*
Supply Chain Strategy	0,390
Supply Performance	0.420

Source: Processed by Researcher, 2024

Based on Table 7 above, shows that the *Q-Square* value for each construct is >0. This means that predictions of supply chain strategies and supply chain operational performance are accurate or relevant. This means that the variables of supply chain organization and supply agility are appropriate or relevant if used as predictors of endogenous variables.

Hypothesis Testing

Hypothesis testing was carried out using t-statistical values and *p-values*. The confidence level used is 95%, so the limit of inaccuracy is (α) = 5% = 0.05 with a t-table value of 1.98. In addition, hypothesis tests can use *the p values* test where the value of *p values* < 0.05. The following is the interpretation of the results of the hypothesis test presented in the following Table 8:

Table 8. Hypothesis Test Results

Leave it variable			T-Statistics	*P-Values*	Information
Supply chain organization	→	Supply chain strategy	0,687	0,494	Rejected
Supply Agility	→	Supply chain strategy	9,273	0,000	Accepted
Supply chain organization	→	Supply performance	0,668	0,506	Rejected
Supply agility	→	Supply performance	4,536	0,000	Accepted
Supply chain strategy	→	Supply performance	5,239	0,000	Accepted

Source: Processed by Researcher, 2024 (Using *SmartPLS 3 Software*)

The results of Table 8 above explain:

1. H1: Supply chain organization, the statistical T value is 0.687 < 1.98 and the p-value is 0.494 > 0.05, meaning that the hypothesis is rejected, namely there is no significant influence of supply chain organization on the supply chain strategy.
2. H2: Supply agility, the statistical T value is 9.273 > 1.98 and the p-value is 0.000 < 0.05, which means that the hypothesis is accepted, namely that there is a significant influence of supply agility on the supply chain strategy.
3. H3: Supply chain organization, the statistical T value is 0.668 < 1.98 and the p-value is 0.506 > 0.05, which means that the hypothesis is rejected that there is no significant influence of supply chain organization on supply performance.
4. H4: Supply agility, the statistical T value is 4.536 > 1.98 and the p-value is 0.000 < 0.05, which means that the hypothesis is accepted, namely that there is a significant influence of supply agility on supply performance.
5. H5: Supply chain strategy, the statistical T value is 5.239 > 1.98 and the p-value is 0.000 < 0.05, which means that the hypothesis is accepted, namely that there is a significant influence of supply chain strategy on supply performance.

Supply Chain Organization on Supply Chain Strategy

Based on the results of the statistical test, it was stated that the supply chain organization did not have a significant influence on the supply chain strategy, where the p-value was 0.494 > 0.05. These results are in line with research from (Frazelle, 2020; Sukati et al., 2012) which states that the organization has no significant effect on the supply chain strategy.

The findings show that supply chain organizations are experiencing limitations in improving their supply chain strategies. Notably, in terms of customer relationships, there has been no improvement in flexibility and responsiveness. This limitation indicates that the current

strategy has not been able to adapt to changing customer needs quickly or effectively enough. As a result, organizations struggle to adapt to dynamic market demands and are unable to respond adequately to customer needs.

Supply Agility to Supply Chain Strategy

The results of the statistical test stated that there was a significant influence of supply agility on the supply chain strategy, where the p-value was 0.000 < 0.05. These results are in line with research from Tarafdar (2017) which states that there is a significant influence of supply agility on supply chain strategy.

By increasing process speed and the ability to adapt to changing demands, organizations can accelerate production and distribution cycle times. This allows products to be available in the market faster and tailor production precisely to customer needs. In addition, to ensure consistent product quality, partners in the supply chain must draw up clear agreements with suppliers. This agreement letter includes quality standards, product specifications, and quality control procedures that suppliers must adhere to.

Supply Chain Organization to Supply Performance

The results of the statistical test show that supply chain organization does not have a significant influence on supply performance, where the p-value is 0.506 > 0.05. These results are in line with research from Vanichchinchai (2014) which states that the organization has no significant influence on supply performance.

A strong supply chain organization does not necessarily have an impact on the performance of the supply carried out if it is not accompanied by the right strategy. The above results indicate that the organization has not been optimal in handling problems in the field, which has an impact on low supply performance.

Supply Agility to Supply Performance

The results of the statistical test explain that supply agility has a significant influence on supply performance, where the p-value is 0.000 < 0.05. These results are in line with research from Mukhsin & Suryanto (2021) which states that supply agility has a significant influence on supply performance.

Increasing the speed aspect of the supply chain has a direct impact on the ability of organizations to increase the level of adaptation to changes in demand and market conditions. By increasing speed, organizations can speed up production and distribution processes, which in turn increases flexibility in responding to changing customer needs. In addition, the responsiveness of the organization is also increasing because the higher speed allows for a faster reaction to market demand and changes in the situation. Therefore, good supply agility not only improves the speed aspect but also contributes to increased flexibility and responsiveness, which are key elements in supply performance.

Supply Chain Strategy on Supply Performance

The results of the statistical test explained that there was a significant influence of supply chain strategy on supply performance, where the p-value was 0.000 < 0.05. These results are in line with research from Tarafdar & Qrunfleh (2017) which states that supply chain strategy has a significant effect on supply performance.

Accuracy in determining supply chain strategies, such as improving flexibility and responsiveness, certainly has a positive impact on overall supply performance. Greater flexibility allows organizations to adapt quickly to changing demand and market conditions, while high responsiveness improves the ability to respond to customer needs effectively. Increased flexibility and responsiveness ensure that products can be produced and delivered according to expected standards, improve workflows, and reduce waste, thereby improving overall supply performance.

Conclusion

Based on the results of statistical tests and discussions, it can be concluded that: 1) Supply chain organization does not have a significant influence on the supply chain strategy. This shows that the supply chain organization is not precise in determining the strategy taken. 2) Supply agility has a significant influence on the supply chain strategy. This illustrates with agility the supply of products faster available in the market and adjusts production precisely according to customer needs. 3) Supply chain organization has no significant influence on supply performance. This gives the idea that the organization has not been optimal in handling problems in the field, which has an impact on low supply performance. 4) Supply agility has a significant influence on supply performance. The picture given is that good supply agility not only improves the speed aspect but also contributes to increased flexibility and responsiveness, which are key elements in supply performance. 5) Supply chain strategy has a significant influence on supply performance. This is an illustration that choosing the right strategy can have an impact on supply performance.

This study provides several significant theoretical implications in the context of *Supply Chain Management* (SCM). The results of this study expand the understanding of how optimal strategies in SCM can affect supply performance. These findings underscore the importance of integration between various supply chain components to achieve better efficiency, which is in line with existing theories regarding collaboration and coordination in SCM. This finding is expected to be a reference and consideration in the development of a more applicable and contextual SCM theory by the latest market dynamics and technology. Based on the results of the study, companies need to prioritize the improvement of supply chain organizations before adopting more complex supply chain strategies, as existing organizations do not significantly affect operational performance through such strategies. It is also important to invest in improving supply agility, as this has a significant positive impact on operational performance. The company must ensure that the supply chain strategy implemented is relevant to operational needs and continue to evaluate and adjust the strategy periodically. In addition, the development of

strategies that are adaptive and responsive to market changes, supported by the latest technology, is key. Given that supply chain organizations do not significantly influence strategy, managers must evaluate other factors that can influence the development of supply chain strategies to devise a more effective approach.

Suggestions for further research may add other supporting variables in improving supply performance that are not discussed in this study. Furthermore, research can be carried out on supply chain organizations at large to obtain a broader picture, and increase the number of existing samples so that the results can be generalized and can be used as comparative material in terms of the number of respondents selected.

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