SUPPLY CHAIN ANALYSIS OF ROSE PROCESSED PRODUCTS IN JEMBER DISTRICT

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Abstract. Regional economic development strategies can be through the development of regional natural resource potential. One of the villages that have great potential in Jember Regency is Karangpring Village, Sukorambi District, Jember Regency, which has the potential to form a massive cultivation of roses by the villagers and is one of the largest suppliers of roses in the horseshoe area. High potential in the abundance of rose cultivation provides opportunities for people to innovate in the form of processed products from roses. However, in its development, processed rose products cannot develop due to various factors. Thus, the purpose of this study was to identify *supply chain management* of processed rose products in Karangpring Village, Sukorambi District, Jember Regency. The method used in this study is *in-depth interviews* to be able to analyze problems *supply chain management*. The analysis technique used is a qualitative approach and *value chain analysis*. The results in this study indicate that the problems underlying the underdevelopment of processed rose products are found in the product marketing system. This is because the results of processed rose products produced by BUMDES Tri Guna Jaya Mandiri in Karangpreng Village, Sukorambi District, Jember Regency are less known by the public at large. Lack of public knowledge of products processed by roses then has an impact on the lack of product demand.

Keywords : qualitative, value chain analysis, *in-depth interviews*, processed products of roses

1. Introduction

Optimization of the use of natural resources owned by the village aims to increase economic activity. Various regions in Indonesia have sought to manage natural resources including Karangpring Village, Sukorambi District, Jember Regency. Based on geographical location, Karangpring Village has a height of 600 m and an area of 14.11 Km^2 which makes it has a variety of potential. One of the potentials of Karangpring Village besides food plants is roses. The high productivity of rose plants in Karangpring Village makes it the largest rose supplier village in Jember Regency.

Development of processed rose products has been carried out but it still does not have a high effect on economic activity. There are various problems that arise from the product development process of roses. The problems that are present in the development of processed rose products make it necessary to evaluate *Supply Chain Management* (SCM). *Supply Chain Management* (SCM) is a flow that reflects the production process through the sales process (Caddy and Helou, 2007; Ellram and Murfield, 2019). The purpose of analyzing *Supply Chain Management* (SCM) is to find out in detail the production process flow through to sales in detail (Ellram and Murfield, 2019; Lu and Swaminnathan, 2015). Thus, the purpose of this research is to identify *supply chain management* of processed rose products in Karangpring Village, Sukorambi District, Jember Regency. The method used in this research is *in-depth interviews* to be able to analyze the problems. *supply chain management*

2. LITERATURE STUDY

Supply Chain Management (SCM) is a series of networks that work together to produce goods or services ranging from providing raw materials, supporting materials, adding material value , the

creation of goods, distribution of goods, storage to sales (goods received by end consumers) (Caddy and Helou, 2007; Ellram and Murfield, 2019). In this case the *Supply Chain Management* not only analyzes how the management of one company that produces an item or service but also analyzes how management applies between each internal individual company involved in the creation of goods and services as well as how the cooperative relationship and cooperative management prevail among all related companies (Ellram and Murfield, 2019; Lu and Swaminnathan, 2015). There are three important components in a *supply chain management* namely *channel ,Upstream Supply Chain, Internal Supply Chain Management,* and *Downstream Supply Chain.*

Upstream Supply Chain in *Supply Chain Management* is a part of the earliest in a stream *Supply Chain* namely the procurement of raw materials, supporting materials, all things have become factors of production in a system production. In this component not only analyze how the supply of factors of production but also distribution and the relationship between the provider and the recipient factor production. Then the second component, namely *Internal Supply Chain Management* which is an internal part of a production activity that includes enter the factor production, production activities, your warehouse activities and inventory control. In other words, *Internal Supply Chain Management* is an analysis that must be done internally within the company individually. The last component in *Supply Chain Management* is the *Downstream Supply Chain* which analyzes all activities related to the distribution of products to the market and to end consumers. The scope of this component is the supply chain of products including distribution, warehousing, transportation, and services.

Various studies have been conducted based on the theory and analysis of *Supply Chain Management*. In addition, research conducted by developing the concept of *Supply Chain Management* has also been carried out by scientists. The following are some of the studies that have been carried out and used as reference materials in this study. The first study conducted by Hanugrani, *et al.* (2013) who studied the *Supply Chain Management* in a cigarette factory in Indonesia by using research methods *Supply Chain Operation* Reference. In that study Hanugrani, *et al.* (2013) found that there were four problems that needed to be fixed, all four problems occurred in the third component of the component *Supply Chain management.* In the component, *Upstream Supply Chain* there are problems in the form of raw material supply and inappropriate quality management of raw materials. Then in the component *Internal Supply Chain Management* there is one problem, namely the problem of prediction of the number of requests which it affects the amount of product inventory. And the last problem found in the component *Downstream Supply Chain* is the problem of the large number of complaints from the consumer.

The same research is done by Widyarto (2012), which examines the role of *Supply Chain Management* in system enterprises. At the production and operation of the research, Widyarto (2012) found that there are some benefits that are owned by the company when applying management These include physically *Supply Chain Management* can convert raw materials into finished materials so that they can be distributed directly to end consumers, another benefit is that *Supply Chain Management* becomes a mediation between producers and markets. Padmantyo and Saputra (2017) who examined the role of *Supply Chain Management* on the quality and efficiency of product distribution found that a business entity must have a good cooperative relationship with suppliers of raw materials so that the quality of raw materials obtained would be guaranteed so that this would have an impact on customer satisfaction and effectiveness of product distribution.

3. Research Methods

Research analysis technique used is qualitative research in the form of technique *in-depth interview* for the value chain *(value chain* analysis). Qualitative methods are used because they can reveal in detail in a phenomenon (Strauss and Corbin, 2003). The analysis tool used is a value chain (*value chain analysis*) that can be used to understand the value chain (Shank and Govindarajan, 1992; Porter 2001). This value chain is sourced from activities carried out starting from the fulfillment of raw materials to sales. The location of the study was Karangpring Village, Sukorambi District, Jember Regency. The samples used were 4 people who were owners and workers in processed rose products.

4. Results And Discussion

Observation results and analysis results directly conducted by researchers in the field show that the supply chain contained in the production of roses and processed roses in Kerangpreng village, Sukorambi sub-district, Jember district can be classified into a simple supply chain as shown in Figure 1.1. In the process of planting to harvest, the care done by the rose farmer does not require a large capital, this is due to the geographical condition of Karangpreng Village which allows the roses to flourish with sufficient nurses and there are no significant obstacles during the rose farming process.

In Figure 1.1 it can be seen that the flow *supply chain* in rose products in Karangpreng Village, Sukorambi District, Jember Regency is still very simple. Most rose products from farmers' harvests are directly sold in the form of flowers which are generally used as sowing flowers. The harvest process is generally carried out in the morning and directly sold to the market, selling activities are carried out by two groups, namely by the farmers themselves directly and carried out by flower sellers, in which case the flower sellers have a specific agreement with farmers who supply roses. . In the process of selling rose products there is a significant obstacle faced by farmers and laborers, the constraint is the durability of the rose harvest which is relatively low.
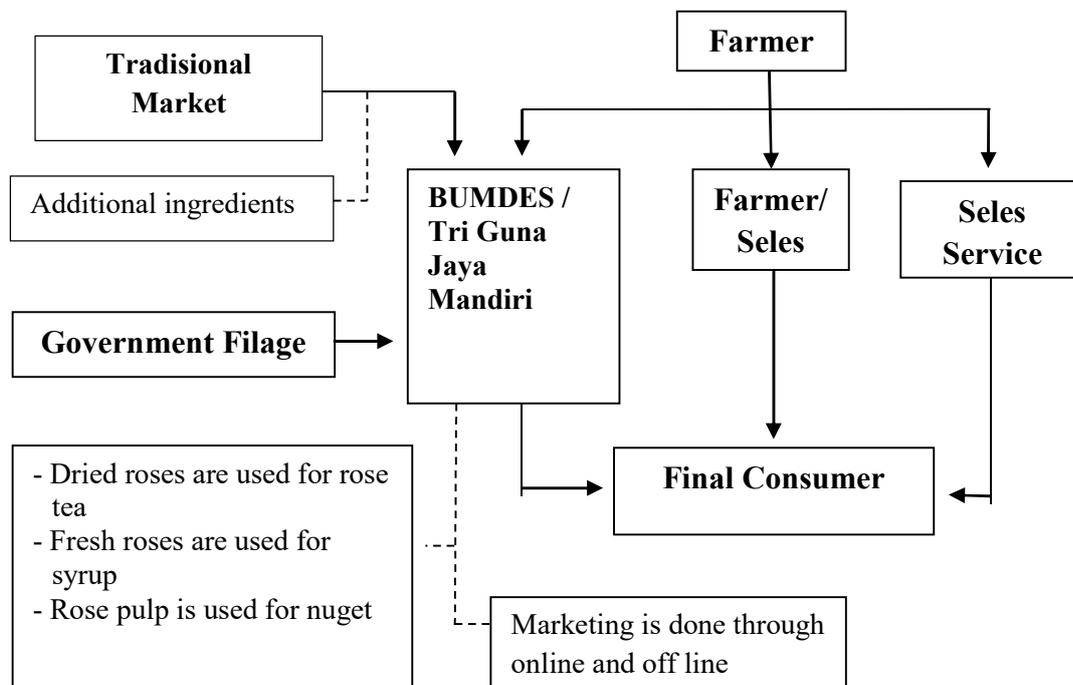
Figure 1.1 Flow Chain Supply Chain of Rose and Processed Rose Products in Karangpreng Village, Sukorambi District, Jember Regency. (Source: primary data processed).

The durability of the roses produced in Karangpreng Village only lasts until noon after harvest with duration of about 6 to 9 hours after harvest. After 6 to 9 hours after harvest the flower will wither even though the stem is immersed in water, in addition to wilting the flower petals that are ready to be harvested will fall and the color of the flower petals will fade so that the quality of the rose will decrease when the flower has passed a maximum of 9 hours post time harvest. In facing this obstacle, farmers and sellers still do not have a solution to minimize this risk. The risk of lack of durability of roses also affects the amount of income received by farmers, this is because when the roses have passed a maximum of 9 hours after harvesting the harvest will not sell well in the market and until now there has been no alternative utilization so usually the kana farmer immediately throws away unsold flowers.

Besides being sold directly to end consumers in the form of roses, roses are also sold to producers of processed rose products, but the number of roses sold to producers of roses is very small. This is because the production capacity is not large scale and is still classified as a small business. Producers producing processed rose products are Tri Guna Jaya Mandiri Village-Owned Enterprises (BUMDES) in Karangpreng Village, Sukorambi District, Jember Regency. Processed products of roses produced by BUMDES Tri Guna Jaya Mandiri are drinks from roses in the form of syrup and tea. In the process of acquiring raw materials for production as well as the production process of processed products of rose BUMDES Tri Guna Jaya Mandiri, there are no significant obstacles. The collection of raw materials in the form of roses is done every day from one of the farmers, which is then dried and hoarding of raw materials in the form of dried roses, this is done to avoid the constraints of high price hikes of very large raw materials on certain days such as the fasting month, Islamic holidays, and Chinese holidays, sweet Thursday, and Friday Kliwon. The increase in the price of roses on those days is very high, if on a normal day the price of roses is only Rp. 10,000 to Rp. 15,000 per red plastic bag to Rp. 100,000 to Rp. 130,000 per red plastic bag. While additional raw materials for the production of rose syrup are obtained from the nearest market.

The biggest obstacle faced by Tri Guna Jaya Mandiri BUMDES is in the process of marketing processed rose products. The process of marketing processed rose products is done in two ways namely online and online. On the other hand, the production of processed rose products is only done when there is an order which means the sale is preorder. Things become a problem in the sales process, namely rose products which are still unknown to the general public and the lay people of the taste of processed rose products so that people are more likely to be reluctant to consume them. The reluctance of people to consume processed products of roses is caused by the aroma of roses that is too strong. This then has an impact on the low ordering of products and the low production activities carried out due to the low number of pre orders that exist both online and offline. If concluded, the obstacle in the supply chain of processed rose products from BUMDES Tri Guna Jaya Mandiri is the lack of public knowledge of the presence of processed rose products in the form of food or drink. Therefore, what is needed by BUMDES Tri Guna Jaya Mandiri is a strategy to increase product marketing by increasing the spread of information about the presence of processed rose products in the form of food and beverages.

Based on the problems that have been done during the interview in analyzing the *supply chain* of processed rose products, there are several strategies that need to be done are:
1. Increasing the fulfillment of raw materials.
    Increasing the fulfillment of raw materials is good, but it is necessary to do a system of partners to farmers to get *supply of* an adequate material and with desired quality.
2. Improved production quality Improvement of production
    Equipment is needed to improve production quality. This is because a good quality of production will be able to increase sales
3. Increase in sales
    Increase in sales is a major problem that needs to be resolved, this is due to good production but not good sales will result in decreased profits. Thus, the strategy that needs to be done to increase sales is to
    a. Promote goods in an active way on social media to promote products and cooperate with various parties such as the radio or individuals who have an influence on people around such as regional ambassadors or sons and daughters area.
    b. Create a brand or brand and register the relevant body.
    c. Establish cooperation in various sales points that are well known by many people and have a good reputation such as outlets, restaurants and cafes.
    d. Distribute the product as a sample
    e. Request customer testimonials and maintain good relations with customers.

Based on the description of the problems and strategies that need to be done will increase economic activity in processed rose products.

5. Conclusion

Based on the flow *Supply Chain Management* of processed rose products in Karangpreng Village, Sukorambi Subdistrict, Jember Regency, it can be concluded that there are some problems that need to be fixed, including the supply of materials and the most important problem, namely the product marketing problem. The strategy that needs to be done in increasing the output of processed rose products is to increase the fulfillment of raw materials, increase production quality, increase sales. Based on the results of interviews that show the main problem is the increase in sales. So, the strategy that needs to be done is to promote goods, create a brand or brand, establish cooperation in various sales points, distribute products as samples and ask for customer testimonials.

6. Acknowledgments

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