



The Effect of ERP System Implementation in Improving Supply Chain Management Performance of Global Star Companies

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Abstract

Global Star Company is a prominent player in the retail industry, operating in the bustling city of Batam. As part of its commitment to staying ahead in a highly competitive global market, the company has embraced the implementation of Enterprise Resource Planning (ERP) systems. This strategic move is geared towards enhancing various aspects of its operations, particularly in the supply chain. In today's globalized business landscape, it's imperative for companies like Global Star to optimize their supply chain processes. ERP systems facilitate the seamless integration of various functions, from material procurement and production to product delivery. The integration extends not only within the company but also externally, connecting with suppliers, distributors, and partners. This interconnectedness streamlines operations, reducing inefficiencies, and ensuring a more responsive supply chain. One critical element of Global Star's ERP infrastructure is the GF Accounting software, a versatile and multifunctional tool that plays a pivotal role in managing the company's financial operations. This software is not limited to just supermarkets but is also used across various industries to maintain control over business activities and accurately record transactions. By doing so, it empowers the company to gain better insights into its financial health and performance. Global Star recognizes that its success depends on more than just offering a wide range of products. It hinges on the efficiency and effectiveness of its internal and external business processes. The ERP system, combined with the GF Accounting software, is a driving force behind the company's ongoing efforts to streamline these processes, reduce costs, and enhance overall performance. In conclusion, Global Star Company's adoption of ERP systems and the GF Accounting software underscores its commitment to staying competitive in the global retail industry. By leveraging technology to improve supply chain management and optimize financial operations, the company is poised for continued growth and success in the dynamic and challenging world of retail.

1. INTRODUCTION

In facing global competition, a business must adopt a new approach to managing products and integrated information flows in a supply chain management (SCM) system, because SCM is a competitive strategy for integrating consumers, suppliers and companies. With increasing global competition has caused organizations to consider the need for cooperation, mutually beneficial partnerships in the supply chain, and mutually beneficial inter-organizational process improvement has become a top priority.

SCM is a system that focuses on integrating procurement, production and delivery of materials and products to consumers. SCM is also a combination of collaboration and integration between partners involved in the supply chain with regard to the

flow of information, products, and finance. When companies can involve information technology internally and externally, of course SCM will be easy to implement. An ERP system that has been fully implemented by a company in the company's supply chain will allow the company to build good relationships between each department.

This integration will of course make it easier for supply chain operations to be carried out and consumers to reduce production costs as well as provide an overview especially on the company's internal conditions through periodic reports from the company's raw material perspective to strategies for providing raw materials effectively because partner companies can send goods on time, making it easier for the department to plan sales and purchases, perform inventory reports and



predict raw material needs. To face competition, companies must improve the quality of service they provide to customers to face an increasingly competitive environment.

The integration system that can be carried out for companies is through the Enterprise Resources Planning (ERP) system. ERP itself functions to integrate many systems in the company, starting from the auditing process, accounting systems to supply chain management. This ERP consists of three main modules, namely the accounting module, operations module and HR module. This ERP technology can be used to handle logistics systems, production or manufacturing, finance, resources and other functions.

From this system, customers and the community are not involved in this system, which only involves suppliers as a support system because this system is the company's internal coordination network. Global Star is the company that will be used in ERP system research to improve the performance of this company. Global Star is a supermarket retail business located in Batam city, located in Cluster Rananta block A No. 1-4. This supermarket was founded by Mr. Arianto in 2013, this supermarket is called Global Star because it is according to the dream of the founder who wants to develop this business globally. Global Star company production activities are closely related to supply chain activities. Actions taken from the flow of raw materials to products obtained by consumers are included in Global Star Supermarket activities.

The aim of this research is to assess the ERP systems that businesses use to improve supply chain management. Thus, the value creation process from the company's performance orientation is an important foundation for the stability of this Global Star Supermarket, whether the company is able to avoid high lead times, which does not cause delays in its distribution. Realizing the importance of SCM and ERP can help companies achieve large profits in Global Star supermarket companies and minimize the obstacles that

occur in the company. Therefore, in this study the authors raised the title regarding the effect of implementing an ERP system in improving the performance of Global Star companies. accounting

2. LITERATURE REVIEW

Supply Chain Management, which was originally known as Logistics Management, is the management of an integrated system that coordinates all processes within an organization/company that prepares and delivers products/goods to consumers. The goal of each Supply Chain system is to maximize the accumulated value and profit created by each component in the Supply Chain, namely added value created by suppliers to manufacturers, manufacturers to distributors, and distributors to consumers. This network includes people, information, and resources. Companies that use and implement supply chains well mean they can reduce costs and remain competitive in a business environment.

Supply chain management is a very important part of the business process because it has many and different activities and requires skills, expertise and also accurate information. The success of a supply chain is very dependent on the information system, with information from business partners in the supply chain it can be taken into account. To produce quality products and accuracy in product delivery in accordance with consumer desires, there is a need for cooperation between the elements in a good supply chain. These elements have their respective functions and are interconnected. To obtain maximum function, all elements must be controlled and monitored properly.

An ERP system is a business information system designed to coordinate all resources, information and activities required for business processes. This system has one database and software for data processing. The software has functions that connect all departments to manage company resources. Having an ERP system makes it easier for company businesses to maintain data and carry out transactions (Ikhsan et al., 2021). An ERP system is the most



ideal solution for running various types of business. ERP has developed rapidly and has many advantages that can help further improve a company's performance. However, implementing this system in several companies has different impacts. Some companies that are wrong in implementing this system will certainly cause losses for the company itself, therefore, when choosing the ERP system that will be used, the company must carefully consider this.

3. RESEARCH METHODS

This data collection technique is often used by researchers to collect data or information based on existing supporting facts. Therefore, we have chosen the interview method to collect data on the implementation of the ERP system in improving the supply chain management performance of Global Star companies. The type of research we use is qualitative by interviewing research subjects. At this stage of the research, we analyzed reports from interviews with informants as material for our analysis, with the aim that the data could be understood easily.

4. RESULTS AND DISCUSSION

The Global Star company is a supermarket or marketing facility for company products in the retail industry located in the city of Batam, which is located in the Cluster Rananta block. A No.1-4 which provides various types of products from various companies that are producers. Global Star supermarkets are experiencing domestic competition where they are looking for powerful technology to control the good performance of global star companies and minimize costs. Improving the quality of service to customers to compete in the local market, of course these companies need to reduce costs, seek profits and increase their market share advantage. The big challenges faced by this company certainly include workflow, services performed, stock management, distribution, customers, sales, and operations.

The Global Star company has used a system that functions to control inventory and makes it easier for companies to place orders from suppliers, as well as distribution and makes it easy to count incoming and outgoing goods and the rest of the sales. The system used by the Global Star company is the GF Accounting system. GF Accounting Software is a multifunctional system that has been used in supermarkets and other companies to control business operations and record transactions. This system is used to improve company performance in the company's internal and external business processes. In this system, global star companies also manage inventory through the process of receiving and releasing goods.

Where when the merchandise inventory is received by the company, they will carry out a physical check of the goods or what is called stock taking, apart from that, the GF Accounting system is also applied to goods control activities. Where Global Star Supermarket receives goods from delivery for stock, they will check the amount received according to the data on the goods receipt invoice that has been created in the GF Accounting system. Apart from that, if the goods received are found to be damaged or an error in delivery of the goods, they will immediately return it and input the return into the system. In its accounting system, the Global Star company uses the GF Accounting system, where the company has also implemented a Point of Sales (POS) system to improve operational performance at the Global Star supermarket to run efficiently and effectively.

In the company's accounting system, the aim is to monitor whether goods in the store last longer or not in terms of sales, which can be analyzed through the system used by this company. The ERP system at Global Star Company also provides integration for better coordination within the company and its supply chain. Initially the ERP system at this company did not work well, where it still used a manual system. As time went by, this company slowly began to implement it because the owner



thought that a business that was becoming more advanced and smoother could not be operated with manual control alone because it could result in chaos. SOPs for this system could process integration which could be achieved smoothly and support the company's supply chain effectively. GlobalStar.

The implementation of this ERP system certainly influences the success of the Global Star company, where the company has implemented an ERP system in the Supply Chain Management, Accounting & Finance and Sales divisions. Of course, this ERP system is not only coordinating but also making changes, where the Sales division requires data flexibility and the accounting & finance division will require supervision and control. Supply Chain Management carried out at Global Star retail is used to support its operational performance, where this company collaborates with several other partners on the availability of its merchandise for suppliers. Global Star has achieved effective SCM to meet customer demands in a timely manner, because this company has created coordinated activities with suppliers and customers from planning to implementation in the supply chain.

Supply chain performance at the Global Star company can be improved through channel coordination because good communication and coordination within the company and its supply chain will create the success of the ERP and SCM systems at Global Star which depends on the company's implementation. In workflow management, Global Star itself provides human resources and information related to good work requirements as well as managing customer service, managing costs and operations at the Global Star company. Suppliers and customers at these companies can collaborate to improve supply chain elements in both quality and cost. The quality in question is the quality of information where this supermarket can provide accuracy, timeliness in supply, and can help overcome uncertainty in supply and demand with various information. Supply Chain Management has its own strategy in solving the challenges it has to meet consumers.

Global Star Retail uses local suppliers to run its business, apart from that, Global Star Retail also implements a supplier quality management program to measure its ability to achieve targets consistently. Global Star also has a warehouse to store goods so that supplies can be maintained as well as possible.

5. CLOSING

5.1 Conclusion

The Global Star company is one of the supermarkets in the city of Batam. Based on the results of data analysis regarding the influence of SCM in the ERP system to improve Global Star's performance, the Global Star company uses the GF Accounting software system, which is a multifunctional system that has been used in supermarkets and other companies to control operations business as well as recording transactions so that the company's internal and external business processes and the performance of global star companies improve. Apart from that, there is a stock taking system, namely a physical checking system for goods. If the goods received have problems, they will immediately return them and input the return into the system.

5.2 Suggestions

By using the GF Accounting system where the company also implements a point of sales system to improve company performance so that it runs efficiently and effectively, the ERP system at the Global Star company provides integration for better coordination within the company and its supply chain, with the implementation of the ERP system can affect success, where the company has implemented an ERP system in the supply chain management, Accounting & Finance and sales divisions. SCM is carried out at Global Star retail to support its operational performance which has a strategy in solving challenges in order to meet consumers.

Each company has its own advantages and strategies in winning the consumer market. This means that the Global Star company is able to determine the right strategy in facing



competition. Apart from that, in running a competitive business and being able to create innovation or creativity, with this Global Star company is able to build a strong corporate image so that it can maintain its position in business competition and face various threats.

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