

# The Effect of Supplier Network Strategy and Cooperation Synergicity on Business Performance through Business Development Strategy at PT Semeru in Indonesia

*by Roy Kurniawan*

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# The Effect of Supplier Network Strategy and Cooperation Synergy on Business Performance through Business Development Strategy at PT Semeru in Indonesia

<sup>1</sup>Roy Kumiawan and <sup>2</sup>Gerry Gantara Hartono,

<sup>4</sup>Lecturer, <sup>2</sup>Students,

<sup>1,2</sup>Postgraduate School, Widya Mandala Surabaya Catholic University, Surabaya, Indonesia

**Abstract:** This study aims to test and analyze the Supplier Network Strategy, Cooperation Synergy, Dynamic Capability affecting Business Performance through Business Development Strategy as an intervening variable. The collected data will be processed using descriptive and quantitative analysis tools. The analysis technique used to analyze the data is Smart PLS (Partial Least Square) analysis. The population in this study were 10 branch offices of PT. Semeru Group in Indonesia. The sampling technique was Simple Random Sampling, with a total of 40 respondents

The results of data analysis show that the Supplier Network Strategy, Cooperation Synergy, Dynamic Capability have a significant effect in a positive direction on Business Performance. The business development strategy has the largest indirect effect on the synergy of cooperation on business performance. Thus every time there is an increase in the synergy of cooperation, it will improve the business development strategy and will also increase business performance.

**Keywords:** Supplier Network Strategy, Cooperation Synergy, Dynamic Capability, Business Development Strategy, Business Performance.

## I. INTRODUCTION

Competition in the business world has recently become tighter with many competitors offering their products to be chosen by consumers, including companies in Indonesia. Competition in an effort to win consumer choice requires that each company be able to produce its best products that meet the tastes of consumers and can be accepted by the market (Kotler, 2002). Research by Snow et al., 1992 (in, Harland and Knight, 2000) defines the role of the supply network for the company as a medium in which the company will be able to play a more active and optimal role in the management and operation of the supplier network which includes product design, production, supplier, marketing and distribution, then all these elements are coordinated and adapted to environmental and market conditions. Managers or company management must be able to integrate all aspects and resources owned by the company so that they can synergize both within the company itself or in synergy with the environment outside the company, namely collaborating with other companies or suppliers that can help create effective company operations. and able to produce maximum products that can be accepted by the market (Pitoy, 2016).

Cooperation between organizations that is built on the basis of mutual understanding of differences in resources and capabilities will strengthen synergies between organizations involved in this collaboration (Craig 2005). Studies (Dyer and Sing 1998, Sarkar et al., 2001) explain that strong cooperation (strong relationship) in supply chain management is a key

strategic asset for a company. Research conducted by Peng (2016) on supply chain management capabilities and information technology capabilities on company performance shows significant results that affect the company's performance.

In this study, the researcher tries to combine several variables, especially those that have a real influence on business development and company performance and to analyze them structurally through the development of a model in accordance with existing theoretical analysis. On that basis, based on the description of phenomena, theories, relationships between variables and gaps in the results of previous research, this study takes the title: "The Effect of Supplier Network Strategy and Cooperation Synergy, on Business Performance through Business Development Strategies as Intervening Variables (Study at PT. Semeru Group in Indonesia)"

Based on the description on the background, the problem formulations in this study are:

1. Does the supplier network strategy have a significant effect on the business development strategy?
2. Does the synergy of cooperation have a significant effect on the business development strategy?
3. Does the supplier network strategy have a significant effect on business performance?
4. Does the synergy of cooperation have a significant effect on business performance?
5. Does the business development strategy have a significant effect on business performance?

The purpose of this study was to analyze the effects of:

1. The influence of supplier network strategy on business development strategy.
2. The effect of cooperation synergy on business development strategies.
3. Effect of supplier network strategy on business performance.
4. The effect of cooperation synergy on business performance.
5. The influence of business development strategies on business performance.

Based on the background description, research title, problem formulation, and research objectives, it is hoped that the following study benefits will be obtained:

To contribute ideas and enrich theories in the scope of market based view and resources based view. As literature material for practitioners to choose what can be developed in cooperation with interested parties, especially in the context of relational exchanges to carry out relationships between companies / organizations.

## II. LITERATURE REVIEW

### A. Supplier Network Strategy

4 Snow et al. in Harland and Knight (2000) define the role of the supply network as a medium for companies to be able to move to play a more active and optimal role. This supplier network even covers various sectors within the company, such as product design, production, supplier, marketing and distribution. Of course, these relevant elements continue to be coordinated and adapted to the conditions of the surrounding environment as well as market demands. The supply network strategy was born as an answer to the problems faced by many companies in an increasingly complex business world. Ritchie and Brindley (2000) say that supply network strategy is a form of management strategy planning approach. This assumption arises because of the enormous benefits and meanings for a company related to the company's operations.

Research by Chandra and Kumar, (2000) shows that Supply Chain Strategy practices can be a solution for companies, including the following:

1. Arrangement of products (goods) and services (services) produced by the company.
2. The role of the supply network concept will make the company or management more efficient in regulating demand and flow of products (goods) and services (services).
3. Supply chain management is a philosophy that focuses on business performance which is built from the synergy of operations management, marketing and strategic management constructs.
4. Supply chain management is a strategy that can provide benefits, namely, sustainable competitive advantage through coordination and integration of business activities between supplier companies and retailers.

### B. Cooperation Synergy

Collaborative synergy can be built from strong collaboration between organizations (Anderson and Narus 1990, Muthusamy, et al. opportunistic actions that would undermine such cooperation. (Craig 2005, Sawler 2005). Covey (2000) emphasizes that an important element in generating synergy in cooperation is high emotional involvement between parties working together to achieve the results to be achieved based on proactive efforts to understand partners and not want to be understood, opening widely to get the best alternatives. in cooperation and principled on a mutually beneficial mindset (win-win). Hunt and Morgan (1994) emphasized that to build a harmonious relationship in a marketing collaboration must be based on positive exchange behavior, namely trust and relational commitment.

Covey (2000), Alan and Andreas (2007) explain that synergy is the overall result achieved is greater than the result of the number of parts (individuals) working together. Thus, synergy is a result (output) of cooperation if:

1. Each party has the strategic resources needed in the cooperation (strength / power).
2. The cooperating parties must be oriented towards a win-win pattern (win-win).
3. Committed to achieving a bigger / better final goal.
4. Based on positive exchange behavior.
5. Work within the terms of the agreement and adhere to the agreement.

6. Always open to change the pattern of cooperation as an alternative in an effort to achieve better results.

### C. Business Development Strategy

According to Bloom (2006) several ways to develop a business are as follows:

#### 1. Market Penetration.

Market penetration is carried out by selling large quantities of old product types to the old market, in other words, if production is increased, the amount of the product can still be accepted and absorbed by the existing market. If the market demand is greater than the products produced by the company, the owner or manager must be responsive by taking advantage of these opportunities. Other things related to increasing production and market penetration are logistics, production processes, employment and finance also developing. This market penetration strategy is the most risky because it utilizes a lot of company's resources and capabilities. In a developing market, simply maintaining market share will result in growth, but market penetration has its limits and once the market approach is saturated other strategies must be pursued if the company is to continue to grow.

#### 2. Market Expansion.

This market expansion means having to find new markets for the same types of products. This expansion is an effort to market excess production that has not been absorbed by the old market or is deliberately done to increase the level of product sales. The first step in expanding this market is to make observations and observations of the locations that are to be used as product sales points. Market expansion options include pursuing additional market segments or geographic areas. The expansion of a new market for the product may be a good strategy if the company's basic competences relate more to a particular product than its experience with a particular market segment.

#### 3. Product Development.

The product development strategy will involve the market and the product directly and if the existing market situation allows for new products then the product development strategy can be implemented. For this strategy new products or old product innovations are offered to consumers. A product development strategy may be appropriate if a firm's strengths are associated with a particular customer rather than a particular product itself. In this situation, they can take advantage of their strengths by developing new products targeted at their existing customers, which is akin to building a new market. This strategy is carried out by paying attention to when the time is right and the strategy implemented in introducing the new product, so that the introduction of the new product is related to the strength of the company.

#### 4. Product Differentiation.

Doing several innovations in products is the purpose of product differentiation, namely by developing or innovating existing products. To create customer satisfaction, marketers can differentiate and generate more sales than do not differentiate, but differentiation can increase company costs. In general, this will still be useful, especially if it is associated with a profitability strategy, however, companies should be careful not to over-segment. The estimated costs are product modification costs, manufacturing costs, administrative costs, inventory costs, and promotion costs requiring both product and market development and may be outside the company's

basic competence. In fact, it has been considered by them as a "suicide cell". However, diversification may be a sensible option if the high risk is compensated by a possible high rate of return. Other advantages of diversification include the potential to gain a foothold in an attractive industry and a reduction in the risk of overall business objectives.

#### 5. Expansion at the National and International Level.

For small businesses, it is easier to expand the national level than the international level. Information that is easily obtained, the risks faced and the opportunities that exist can be assessed carefully and thoroughly, thus large expansion will also require large costs and are often less profitable. To penetrate foreign markets is not an easy thing and the conditions are not simple either. There must be high quality stability and this strategy will change the size of the company itself so that it will cause changes in company operations. In addition, the financial structure will add to the attractiveness of the international expansion plan for investors and consumers who are abroad.

#### D. Business Performance

Pelham & Wilson (1996) defines company performance as new product success, as measured by new product development and market development, growth share measured by sales growth and market share, profitability, measured by operating profits, profit to sales ratio, cash flow, operation, return on investment, return on assets, and product quality. Miles et. al., (2000), argued that subjective measurement of performance was chosen instead of objective measurement for several reasons:

1. Small companies are often very careful and strong in maintaining company financial data information, therefore subjective performance information will be easier to obtain than objective information.
2. The objective financial data of small companies are not published accurately and are sometimes not available, this makes it impossible to check the accuracy of reported financial performance.
3. Assuming financial data for small companies are reported, most of the available data are difficult to interpret.
4. When a company is generally in a hostile environment and its performance tends to decline, a subjective assessment by comparing the general performance of other similar companies will be more appropriate.

Research conducted by Tjiptono (2006) indicates that subjectively performance can be consistent with objective measurements and can increase the reliability and validity of the study.

#### E. Research Model

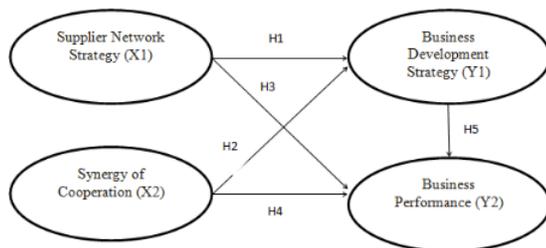


Figure 1. Research Model

#### F. Hypothesis

Based on the explanation above, the following conceptual framework can be drawn:

1. The supplier network strategy has a significant effect on the business development strategy.
2. The synergy of cooperation has a significant effect on the business development strategy.
3. Supplier network strategy has a significant effect on business performance.
4. Cooperation synergy has a significant effect on business performance.
5. Business development strategy has a significant effect on business performance.

### III. RESEARCH METHOD

#### A. Research Design

This type of research design is explanatory research which aims to examine the effect of supplier network synergy, cooperation synergy, dynamic capabilities on business performance with the development strategy as an intervening variable at PT Semeru. This research was conducted to identify the cause and effect relationships between the variables in the research problem that have been clearly identified (Zigmund, 1997). This research design is also a causal study design because this study intends to examine the influence between variables (Cooper and Emory, 1995). Causality research is a study that seeks to find an explanation in the form of a cause-effect relationship between several variables, a concept or several variables or several strategies which are causality hypotheses developed in management. (Ferdinand, 2000).

This study aims to test the proposed hypothesis related to the effect of supplier network strategy and cooperation synergy on business development strategies and business performance at PT Semeru.

#### B. Variable Identification

The variables tested in this study were:

1. Endogenous variables:
  - a. Supplier Network Strategy (X1)
  - b. Synergy of Cooperation (X2)
2. Intervening variable: Business Development Strategy (Y1)
3. The dependent variable: Business Performance (Y2)

#### C. Population, Sample, and Sampling Technique

The population in this study is the PT Semeru office, namely:

1. Semeru Makasar
2. Semeru Samarinda
3. Semeru Banjar
4. Semeru Kendari
5. Semeru Sorong
6. Semeru Manado
7. Semeru Ternate
8. Semeru Ambon
9. Semeru Surabaya
10. Semeru Inti Sukses Surabaya
11. Semeru Inti Sukses Semarang
12. Semeru Inti Prima Surabaya.

#### D. Samples and Sampling Techniques

In this study the respondents were directors, branch heads, marketing managers and sales supervisors, so that from 10 offices x 4 respondents = 40 respondents.

Table 1. Number of Samples and Respondents of PT. Semeru Group

| No.   | Kantor                      | Responden |
|-------|-----------------------------|-----------|
| 1     | Semeru Makasar              | 4 Orang   |
| 2     | Semeru Samarinda            | 4 Orang   |
| 3     | Semeru Banjar               | 4 Orang   |
| 4     | Semeru Kendari              | 4 Orang   |
| 5     | Semeru Sorong               | 4 Orang   |
| 6     | Semeru Manado               | 4 Orang   |
| 7     | Semeru Ternate              | 4 Orang   |
| 8     | Semeru Ambon                | 4 Orang   |
| 9     | Semeru Surabaya             | 4 Orang   |
| 10    | Semeru Inti Sukses Surabaya | 4 Orang   |
| Total |                             | 40 Orang  |

Source: Data, processed

### E. Data Source and Data Types

The data source used in this research is primary data. Primary data is data obtained directly by researchers on the object of their research. This primary data can be obtained by distributing questionnaires to customers of confectionery companies which are clothing retail stores in Java and Bali.

While the type of data used in this research is quantitative. Quantitative research means research that processes data in the form of theory and tests hypotheses by distributing questionnaires whose results are converted into numbers.

### F. Data Analysis Tools

The data analysis technique used in the study used Partial Last Square (PLS) with Smart PLS.PLS software as a data analysis technique with Smart PLS version 2.0.M3 software which can be downloaded from <http://www.smartpls.de>. The Partial Least Square (PLS) evaluation model is based on predictive measurements that have non-parametric properties (Ghozali, 2006: 24).

## IV. RESULTS AND ANALYSIS OF RESEARCH DATA

### A. Test the Validity and Reliability of Research Variables

Analysis of research data using SEM by involving validity and reliability tests using the CFA and Construct Reliability using the Smart PLS program.

The validity test is intended to find out whether the questions in the questionnaire are representative enough. The validity test was performed using confirmatory factor analysis on each latent variable. The second measuring instrument test is Reliable, which is an index that shows the extent to which the measuring instrument is reliable or trustworthy. Reliability is a measure of the internal consistency of the indicators of a formation variable that shows the degree to which each indicator indicates a generalized variable.

#### 1. Measurement Model of Supplier Network Strategy Variable (X1)

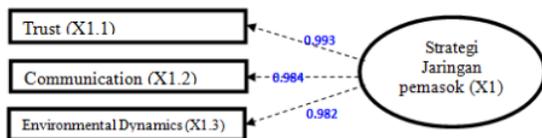


Figure 2. Validity Test of the Supplier Network Strategy (X1)

Source: Data, processed

The test results are presented in Figure 4.1, showing that the magnitude of the factor loading value on the two indicators is explained as follows:

1. The loading value of 0.993 for trust (X1.1) is greater than 0.5 which means that the trust (X1.1) is a valid indicator in measuring the supplier network strategy (X1).
2. The loading value of 0.984 for communication (X1.2) is greater than 0.5 which means that Communication (X1.2) is a valid indicator in measuring the supplier network strategy (X1).
3. The loading value of 0.982 for environmental dynamics (X1.3) is greater than 0.5, which means that environmental dynamics (X1.3) are a valid indicator in measuring the supplier network strategy (X1).

While the reliability of the supplier network strategy (X1) used composite (construct) reliability with a cut off value of at least 0.6. The latent variable of the supplier network strategy (X1) gives a CR value of 0.991 above the cut-off value of 0.6, so it can be said that the supplier network strategy (X1) is reliable.

#### 2. Measurement Model of Cooperation Synergy Variables (X2)

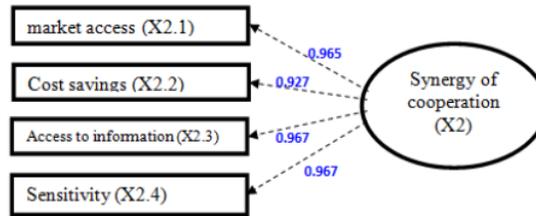


Figure 3. Cooperation Synergy Validity Test (X2)

Source: Data, processed

The test results are presented in Figure 4.2, showing that the magnitude of the factor loading value on the two indicators is explained as follows:

1. The loading value of 0.965 for market access (X2.1) is greater than 0.5 which means market access (X2.1) is a valid indicator in measuring the synergy of cooperation (X2).
2. The loading value is 0.927 for cost savings (X2.2) greater than 0.5 which means that cost savings (X2.2) are a valid indicator in measuring the synergy of cooperation (X2).
3. The loading value of 0.967 for access to information (X2.3) is greater than 0.5 which means that access to information (X2.3) is a valid indicator in measuring the synergy of cooperation (X2).
4. The loading value of 0.967 for sensitivity (X2.4) is greater than 0.5 which means that the sensitivity (X2.4) is a valid indicator in measuring the synergy of cooperation (X2).

The latent variable Cooperation synergy (X2) gives a CR value of 0.977 above the cut-off value of 0.6 so that it can be said that the synergy of cooperation (X2) is reliable.

#### 3. Measurement Model of Business Development Strategy Variable (Y1)

The test results are presented in Figure 4.3, showing that the magnitude of the factor loading value on the two indicators is explained as follows:

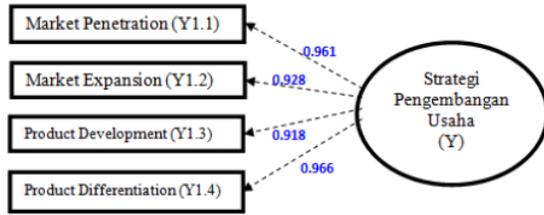


Figure 4. Validity Test of Business Development Strategy (Y1)  
Source: Data, processed

1. The loading value of 0.961 for market penetration (Y1.1) is greater than 0.5 which means that market penetration (Y1.1) is a valid indicator in measuring the business development strategy (Y1).
2. The loading value of 0.928 for market expansion (Y1.2) is greater than 0.5 which means market expansion (Y1.2) is a valid indicator in measuring the business development strategy (Y1).
3. The loading value of 0.918 for product development (Y1.3) is greater than 0.5 which means product development (Y1.3) is a valid indicator in measuring business development strategy (Y1).
4. The loading value of 0.966 for product differentiation (Y1.4) is greater than 0.5, which means that product differentiation (Y1.4) is a valid indicator in measuring the business development strategy (Y1).

The latent variable Business development strategy (Y1) gives a CR value of 0.970 above the cut-off value of 0.6, so it can be said that the business development strategy (Y1) is reliable.

#### 4. Measurement Model of Business Performance (Y2)

The test results are presented in Figure 4.5, showing that the magnitude of the factor loading value on the two indicators is explained as follows:

1. The loading value of 0.967 for sales turnover (Y2.1) is greater than 0.5 which means the sales turnover

- (Y2.1) is a valid indicator in measuring business performance (Y2).
2. The loading value is 0.950 for market share (Y2.2) greater than 0.5 which means market share (Y2.2) is a valid indicator in measuring business performance (Y2).
3. The loading value of 0.858 for profitability (Y2.3) is greater than 0.5, which means that the profitability (Y2.3) is a valid indicator in measuring business performance (Y2).
4. The loading value of 0.936 for popularity (Y2.4) is greater than 0.5 which means the popularity (Y2.4) is a valid indicator in measuring business performance (Y2).
5. The loading value of 0.940 for the number of customers (Y2.5) is greater than 0.5 which means the number of customers (Y2.5) is a valid indicator in measuring business performance (Y2).

The latent variable Business performance (Y) gives a CR value of 0.970 above the cut-off value of 0.6 so that it can be said that Business Performance (Y2) is reliable.

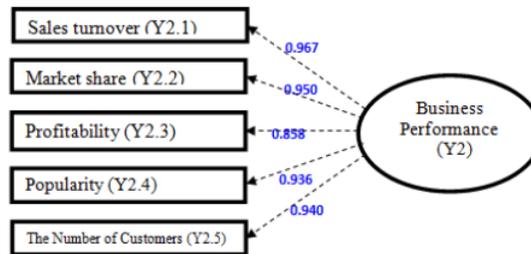


Figure 5. Business Performance Validity Test (Y2)  
Source: Data, processed

### B. Analysis of the Structural Equation of Business Performance

#### 1. Fit Test of Business Performance Structural Equation Models

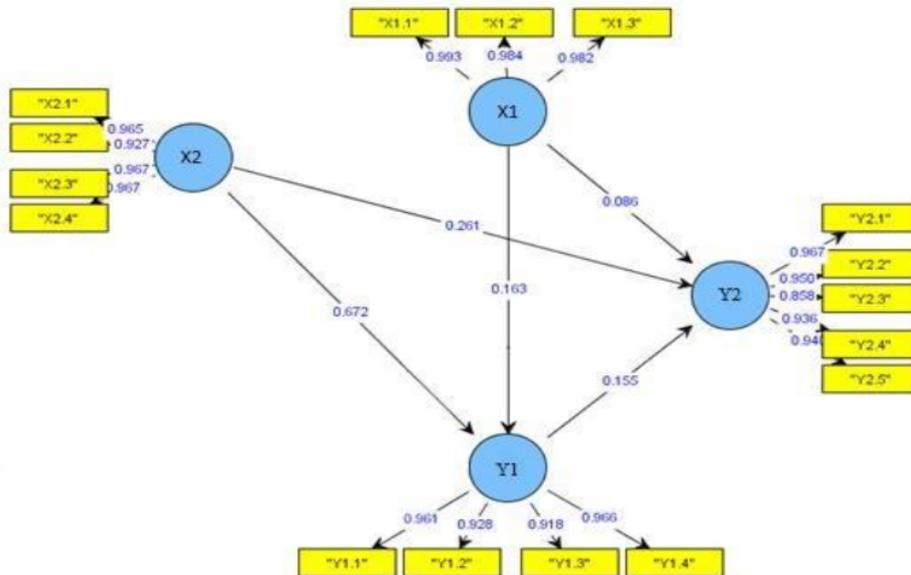


Figure 6. Relations Between Variables  
Source: Data, processed

**2. Test the Path Coefficient of Business Work**

The Structural Model Test (Inner Weight) is indicated the results of the structural path coefficients. Where the results of the path coefficient answer the hypotheses in the study as follows:

1. Supplier network strategy (X1) has a significant effect on business development strategy (Y1).
2. Synergy of cooperation (X2) has a significant effect on business development strategy (Y1).
3. Supplier network strategy (X1) has a significant effect on business performance (Y2).
4. Synergy of cooperation (X2) has a significant effect on business performance (Y2).
5. Business development strategy (Y1) has a significant effect on business performance (Y2).

Table 2. Results of Testing the Path Coefficient of the Business Performance Model

| Variable  | Coefficient | Standard deviation | t-Statistic | Description |
|---|-------------|--------------------|-------------|-------------|
| Supplier network strategy (X1) → Business development strategy (Y1) | 0.163       | 0.036              | 4.502       | Significant |
| Synergy of cooperation (X2) → Business development strategy (Y1)    | 0.672       | 0.029              | 23.043      | Significant |
| Supplier network strategy (X1) → Business performance (Y2)          | 0.086       | 0.037              | 2.330       | Significant |
| Synergy of cooperation (X2) → Business performance (Y2)             | 0.261       | 0.069              | 3.755       | Significant |
| Business development strategy (Y1) → Business performance (Y2)      | 0.155       | 0.041              | 3.798       | Significant |

Source: Data, processed

Based on Table 4.1, the interpretation of each path coefficient is as follows:

1. Supplier network strategy (X1) has a significant and positive effect on business development strategy (Y1). This can be seen from the path coefficient which is positive, 0.163, with a T-statistic value of 4.502 which is greater than t-table = 1.96. Thus the supplier network strategy (X1) has a direct effect on the business development strategy (Y1) of 0.163, which means that every time there is an increase in the supplier network strategy (X1), it will increase the business development strategy (Y1).
2. Synergy of cooperation (X2) has a significant and positive effect on business development strategy (Y1). This can be seen from the path coefficient which is positive, 0.672 with a T-statistic value of 23.043 which is greater than t-table = 1.96. Thus the synergy of cooperation (X2) has a direct effect on the business development strategy (Y1) of 0.672, which

means that every time there is an increase in the synergy of cooperation (X2), it will increase the business development strategy (Y1).

3. Supplier network strategy (X1) has a significant and positive effect on business performance (Y2). This can be seen from the path coefficient which is positive, 0.086, with a T-statistic value of 2.330 which is greater than t-table = 1.96. Thus the supplier network strategy (X1) has a direct effect on business performance (Y2) of 0.086, which means that every time there is an increase in the supplier network strategy (X1), it will increase business performance (Y2).
4. Cooperation synergy (X2) has a significant and positive effect on business performance (Y2). This can be seen from the path coefficient which is positive for 0.261 with a T-statistic value of 3.755 which is greater than t-table = 1.96. Thus the synergy of cooperation (X2) has a direct effect on business performance (Y2) of 0.261 which means that every time there is an increase in synergy of cooperation (X2) it will increase business performance (Y2).
5. Business development strategy (Y1) has a significant and positive effect on business performance (Y2). This can be seen from the path coefficient which is positive, 0.155 with a T-statistic value of 3.798 which is greater than the t-table = 1.96. Thus the business development strategy (Y1) has a direct effect on business performance (Y2) of 0.155, which means that every time there is an increase in business development strategy (Y1), it will increase business performance (Y2).

**1. Influence between Research Variables**

In structural equations that involve many variables and paths between variables, there are influences between variables which include direct effect, indirect effect, and total effect. For this reason, each of the above effects will be discussed in detail.

**1. Direct Effect between Research Variables**

A direct effect between exogenous latent variables (supplier network strategy (X1), collaboration synergy (X2)), with intervening endogenous latent variables (business development strategy (Y1) and endogenous latent variables (business performance (Y2)). The following table presents the direct results regarding the direct relationship that occurs between exogenous and endogenous latent variables:

Table 3. Direct Effect of Research Variables

| Direct Effect         |                                    | Variable  |   |
|-----------------------|------------------------------------|---|---|
|                       |                                    | Intervening Variables<br>Business development strategy (Y1) | Endogenous Variables<br>Business performance (Y2) |
| Exogenous Variable    | Supplier network strategy (X1)     | 0.163   | 0.086   |
|                       | Synergy of cooperation (X2)        | 0.672   | 0.261   |
| Intervening Variables | Business development strategy (Y1) | -   | 0.155   |

Source: Data, processed

Table 3 can be explained that the direct effects of exogenous latent variables on endogenous latent variables can be explained. The synergy of cooperation (X2) has the greatest direct influence on the business development strategy (Y1) of 0.672, and then on business performance (Y1).

### 2. Indirect Effect between Research Variables

An indirect effect between exogenous latent variables (supplier network strategy (X1), collaboration synergy (X2)), with intervening endogenous latent variables (business development strategy (Y2)) and endogenous latent variables (business performance (Y1)). The following table presents the indirect results regarding the direct effect that occurs between exogenous and endogenous latent variables:

Table 4. Indirect Effect of Research Variables

| Indirect Effect       |                                    | Variable  |   |
|-----------------------|------------------------------------|---|---|
|                       |                                    | Intervening Variables<br>Business development strategy (Y2) | Endogenous Variables<br>Business performance (Y1) |
| Exogenous Variable    | Supplier network strategy (X1)     | -   | 0.025   |
|                       | Synergy of cooperation (X2)        | -   | 0.104   |
| Intervening Variables | Business development strategy (Y2) | -   | -   |

Source: Data, processed

Table 4.3 can be explained the magnitude of the indirect effects of exogenous latent variables on endogenous latent variables. The business development strategy (Y2) has the greatest indirect effect on the synergy of cooperation (X2) on business performance (Y1) of 0.104, and on the supplier network strategy (X1) on business performance (Y1) of 0.025.

### 3. Total Effect between Research Variables

Table 5. Total Effects of Research Variables

| Pengaruh Total       |                                  | Variabel   |   |
|----------------------|----------------------------------|--|---|
|                      |                                  | Variabel Intervening<br>Strategi pengembangan usaha (Y1) | Variabel Endogen<br>Kinerja bisnis (Y2) |
| Variabel Exogen      | Strategi jaringan pemasok (X1)   | 0.163  | 0.111                                   |
|                      | Sinergitas kerjasama (X2)        | 0.672  | 0.365                                   |
| Variabel Intervening | Strategi pengembangan usaha (Y1) | -  | 0.155                                   |

Source: Data, processed

### CONCLUSIONS AND SUGGESTIONS

Based on the results of research hypothesis testing and the discussion described for each relationship path in the sub-

chapter regarding the influence of the Supplier Network Strategy, Cooperation Synergy, Business Development Strategy and Business Performance in PT. Semeru Group, the following conclusions can be drawn in the research:

1. The supplier network strategy has a significant and positive effect on the business development strategy. The results of this study are consistent with research conducted by Chandra & Kumar (2000). Thus the supplier network strategy has a direct effect on the business development strategy, so every time there is an increase in the supplier network strategy will increase the business development strategy. The results of this test indicate that the hypothesis in this study is accepted.
2. The synergy of cooperation has a significant and positive effect on the business development strategy. The results of this study are consistent with research conducted by Mochtar (2013). Thus the synergy of cooperation has a direct effect on the business development strategy, so every time there is an increase in the synergy of cooperation will increase the business development strategy. The results of this test indicate that the hypothesis in this study is accepted.
3. Supplier network strategy has a significant and positive effect on business performance. The results of this study are consistent with research conducted by Ferdinand (2004). Thus the supplier network strategy has a direct effect on business performance, so every time there is an increase in the supplier network strategy it will increase business performance. The results of this test indicate that the hypothesis in this study is accepted.
4. The synergy of cooperation has a significant and positive effect on business performance. The results of this study are consistent with research conducted by Gonzales (2014). Thus the synergy of cooperation has a direct effect on business performance, so every time there is an increase in the synergy of cooperation, it will increase business performance. The results of this test indicate that the hypothesis in this study is accepted.
5. Business development strategy has a significant and positive effect on business performance. The results of this study are consistent with research conducted by Indarwati (2011). Thus the business development strategy has a direct effect on business performance, so every time there is an increase in the business development strategy, it will increase business performance. The results of this test indicate that the hypothesis in this study is accepted.
6. Business development strategy provides the largest indirect effect on the synergy of cooperation on business performance. Thus every time there is an increase in the synergy of cooperation, it will improve the business development strategy and will also increase business performance.

### 1. Advice to Management

Based on the research results, the suggestions that can be used as consideration for the management of PT. Semeru Group are as follows:

1. PT. Semeru Group must prioritize the synergy of cooperation with suppliers so that the goal of market expansion can be carried out properly.

2. PT. Semeru Group began to improve the skills and knowledge of organizational members so that with increased expertise and knowledge, the company could compete with other companies.
3. By cooperating with other companies, PT Semeru Group can also have broader insights to plan good business development and adapt to the current conditions of the company.

## 2. Suggestions to Further Researchers

Suggestions that can be taken into consideration for further research are as follows:

1. This research is only at PT. Semeru Group, there is no comparative research so that further research is needed in similar or not similar companies so that the validity of this research is truly tested and can be used in the development of other companies more widely.
2. In further research, to complement the influence of the supplier network strategy variables, variables related to the supplier network can be added, for example, production information systems or technology adoption.

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