CHAPTER VI
CONCLUSION AND RECOMMENDATION

This chapter is contained with conclusion of the entire processes in this research; highlighted results, and recommendations to related parties in order to develop an empirical foundation for further research.

6.1 Conclusion

There were some conclusions from this following research, such as:

a. The level of SCM implementation is categorized into three dimensions: strategic supplier partnership, customer relationship, and level of information sharing. The strategic supplier partnership was fair and needs to be increased (55% agree, 29% neutral, and 15% disagree), the customer relationship was considered to be high (79% agree, 22% neutral, and 3% disagree), and the level of information sharing was considered to be low and needs to be increased (46% agree, 41% neutral, and 13% disagree).

b. Environment uncertainty was significantly affecting SCM practices (Estimate=0.09; CR=2.90; P=0.04) and customer uncertainty had the highest loading of all indicators (Estimate=0.813; CR=14.5; P=0).

c. Institutional theory was significantly moderating environment uncertainty and SCM practices (Estimate=0.10; CR=2.78; P=0.05). Additionally, mimetic had the highest loading of all indicators (Estimate=0.392; CR=2.43; P=0.01).

d. Internal resource was significantly affecting SCM practices (Estimate=0.16; CR=4.96; P=0) and IT Alignment had the highest loading of all indicators (Estimate=1.02; CR=17.1; P=0).
e. SCM practices were significantly affecting organizational performance (Estimate=1.61; CR=5.98; P=0) and customer relationship had the highest loading of all indicators (Estimate=1.14; CR=5.93; P=0).

f. The model was perfectly fitted and had a unique solution of the population (Chi-Square=77.36; Df=58; Probability=0.05; CFI=0.90; GFI=0.91; AGFI=0.86; RMSEA=0.05).

6.2 Recommendation

In the end of this research, some recommendations had been addressed to these following subjects:

6.2.1 Recommendation to investigated SMEs

There were enormous types of investigated SMEs within this research. However for those excitedly striving for excellent SCM practice and performance, the recommendation would be necessary:

a. Internal resource is important aspect in an organization and the contribution of it was valuable for the improvement of organization performance. There were many ways to achieve good resources, for instance; the association push SMEs to be more familiar with information technology. Due to this fact, the computer and internet were two important things in business today. However, it took more intense seminars and workshops about internet, online marketing, online sharing, etc.

b. SCM practices have contributed a lot to increase the performance of organization. To attain a better performance, the organization needs to be more flexible in facing competition. Some ways to improve flexibility are by optimizing the customer relationship. For instance; increase the frequent interaction between the firm and their customer, forecast the customer demands, measure and evaluate the customer satisfaction, determine the
customer expectation, facilitate the customer to seek assistance from the organization, and evaluate the importance of the relationship.

6.2.2 Recommendation for further research

By highlighting some points from the entire research, some resulted answers led to some possible questions. In order to enrich the fundamental and empirical knowledge of SCM, the research could be expanded to the development of model for particular object; for example B2B and B2C SMEs, cross validation of investigated SMEs, and an investigation of customer behavior particularly in SMEs.
(this page is blank by purpose)