

**A QUALITATIVE STUDY OF VALUE CHAIN ANALYSIS MODEL IN UD. FILADELFIA***STUDI KUALITATIF DARI MODEL ANALISIS RANTAI NILAI DI UD. FILADELFIA*

by  
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**Abstract:** Value chain analysis can be used by companies to understand the sources, create or develop a competitive advantage. When a company can accentuate the existing values, they can make it as a competitive advantage to compete with the other company. The aim of this study is to analyze the value chain of UD. Filadelfia Bitung. This company need to maintain their performance so they can compete with other company. This research is using qualitative research method that explores the theories from several journals, articles, books and previous research. The type of this research is descriptive research. Population in this research is all elements that have an influence in analyzing the value chain analysis model in UD. Filadelfia Bitung. The results showed that in support activities UD. Filadelfia has an experienced lack in Firm Infrastructure, Human Resources, and Technology Development. In primary activities UD. Filadelfia has some problems in Operation, and Outbound Logistics. While the advantage of this company is in the procurement section. Related with the findings there will be several recommendations.

**Keywords:** *value chain analysis, competitive advantage, support activities, primary activities*

**Abstrak:** Analisis rantai nilai dapat digunakan oleh perusahaan untuk memahami sumber, menciptakan atau mengembangkan keunggulan kompetitif. Ketika sebuah perusahaan dapat menonjolkan nilai-nilai yang ada, mereka dapat menjadikannya sebagai keunggulan kompetitif untuk bersaing dengan perusahaan lain. Tujuan dari penelitian ini adalah untuk menganalisis rantai nilai UD. Filadelfia Bitung. Perusahaan ini perlu mempertahankan kinerjanya agar dapat bersaing dengan perusahaan lain. Penelitian ini menggunakan metode penelitian kualitatif yang mengeksplorasi teori-teori dari beberapa jurnal, artikel, buku dan penelitian sebelumnya. Jenis penelitian ini adalah penelitian deskriptif. Populasi dalam penelitian ini adalah semua elemen yang memiliki pengaruh dalam menganalisis model analisis rantai nilai di UD. Filadelfia Bitung. Hasil penelitian menunjukkan bahwa dalam aktifitas pendukung UD. Filadelfia memiliki kekurangan yang berpengalaman dalam Infrastruktur Perusahaan, Sumber Daya Manusia, dan Pengembangan Teknologi. Dalam aktifitas utama UD. Filadelfia memiliki beberapa masalah dalam Operasi, dan Logistik Outbound. Sedangkan keunggulan perusahaan ini ada di bagian pengadaan. Terkait dengan temuan akan ada beberapa rekomendasi.

**Kata Kunci:** *analisis rantai nilai, keunggulan kompetitif, aktifitas pendukung, aktifitas utama*

## INTRODUCTION

### Research Background

Indonesia has several developing sectors such as fisheries industry, tourism industry, agriculture, e-commerce business, retail sector and so on. So many natural wealth in Indonesia that can be explore and make it an economic source for state income. One of the natural wealth that can be seen is Indonesia's marine wealth. Indonesia's marine wealth is one of the big potentially to generate income for this country because there are so many varieties of fish we can found in Indonesia sea.

The large coverage sea of Indonesia, it provides this country with various types of fish and other fisheries commodities that can be harvest. Each of this country region has its own variety of fishes on the coastal area, such as seaweed, surimi fish, shrimp, skipjack tuna, crab, squid and octopus. The natural wealth of Indonesia became one of the economic resources of the country, it eventually became an attraction for fishery company to competing each other. However, those who take advantage of Indonesia's marine wealth are not just fishery companies, but start from small fisherman, medium fishermen, until foreign ships also take big profits from the Indonesian sea. To keep the marine wealth sustainable there are various efforts made by the government, such as government regulation.

Therefore, competition for fisheries companies is also getting tighter. Every company should maintain their performance so they can always satisfy the consumers. One of the things that can be done by the company to preserve their performance is to ensure that all of the production process starting from the process of catching fish until the product received by the consumers running well and according to the plan.

In the process of production, the company will face a production process that is affected by external factors and internal factors. External factors faced by fishery companies, such as government regulations that limit the number of catches, prohibit transshipment in the middle of the sea, prohibition of the use of trawl fishing gear and so on. While internal factors such as production process, human resources, marketing, and so on.

According to Cooper, Lambert and Pagh (1997) in Mentzer, Dewitt, Keebler, Min, Nix, Smith, Zacharia (2001), supply chain management is an integrative philosophy to manage the total flow of a distribution channel from supplier to the ultimate user. Supply chain management focused on maximizing any process so to satisfy the needs of consumers. Supply chain management will help companies to monitor their operation. But to be able to compete with any other company, a company should have an advantage that is not owned by the others. They should consider about the other aspects such as human resources, marketing, service and technology. One of the tools that can allow business to gain an advantage over their competitors is value chain analysis.

Value chain analysis also known as Porter's value chain analysis is a business management concept that was developed by Michael Porter. In his book, Porter (1985:62-163) stated that value chain as a tool to analyze the sources of competitive advantage. According to Porter (1985:62-163), the value chain disaggregates a firm into its strategically relevant activities in order to understand the behavior of costs and the existing and the potential sources of differentiation.

Value chain analysis can be used by companies to understand the sources, create or develop a competitive advantage. In competitive terms, value is the total amount of buyers that are willing to pay for what a firm provides them (Porter, 1985:62-163). When a company can accentuate the existing values, they can make it as a competitive advantage to compete with the other company.

UD. Filadelfia Bitung is a company that is located in Tanjung Merah, Matuari, Bitung City, North Sulawesi. This business was established since 2000 but the company has their own warehouse since June 2016. This is a frozen fishing company. There are various fishes processed in this company but the most are malalugis and deho. The fish are exported out of Bitung.

This company need to maintain their performance so they can compete with other company. One of the things that can be done by the company to preserve their performance is to ensure that all of the production process starting from the process of purchasing product until the product received by the consumers running well and according to the plan. Value chain analysis is the right tool to analyze those aspects. Based on explanation above, researcher wants to research more about fundamental point of view with title "A *Qualitative Study of Value Chain Analysis Model in UD. Filadelfia Bitung*"

### Research Objectives

Based on the problem that has been mention above, the objective of this research intends to examine the value chain analysis model of UD. Filadelfia in Bitung.

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## THEORETICAL REVIEW

### Production and Operation Management

According to Stevenson (2007:7), operations management is the management of systems or processes that create goods and/or provide services. The scope of operations management ranges across the organization. Operations management people are involved in product and service design, process selection, selection and management of technology, design of work systems, location planning, facilities planning, and quality improvement of the organization's products or services. Operations has a major influence on competitiveness through product and service design, cost, location, quality, response time, flexibility, inventory and supply chain management, and service. Many of these are interrelated.

### Supply Chain Management

According to Chow and Heaver (1999) in Waters (2003:57), supply chain is the collection of all producers, suppliers, distributors, retailers and transportation, information and other logistics providers that are involved in providing goods to end consumers. A supply chain includes both internal and external participants for the firm.

### Value Chain Analysis

According to Ensign (2001), value chain analysis can be used to formulate competitive strategies, understand the source(s) of competitive advantage, and identify and/or develop the linkages and interrelationships between activities that create value. Value chain analysis is used to analyze the internal side of the company. Companies that are able to produce goods at a cost that is lower than the market price or can provide superior products will obtain an advantage.

### Competitive Advantage

According to Kotler and Armstrong (2009:68) in their books *Principles of Marketing*, competitive advantage is an advantage over competitors gained by offering consumer greater value than competitors offer. They stated that to win in today's marketplace, companies must become adept not just in managing products, but in managing customer relationships in the face of determined competition.

### Previous Research

Kotni (2016) her paper attempts at value chain management practices adopted by the players of the marine fisheries chain in Andhra Pradesh and how much value they are adding to the final fish product.

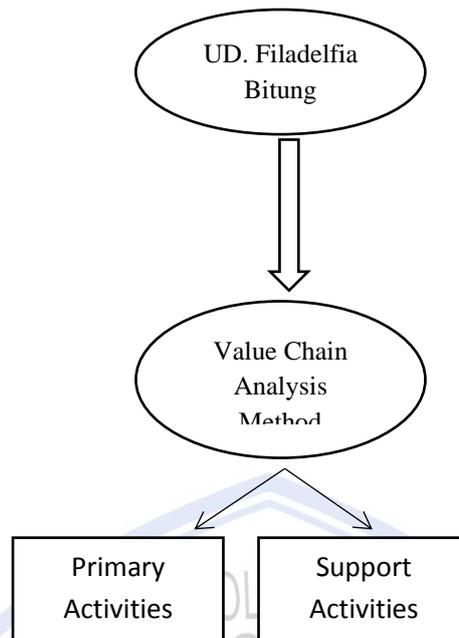
Thar (2016) his study is an exploratory research and aims to examine the value chain of pickled tea from production to the final consumer and to evaluate how to improve the quality in the value chain. This study described the potential of pickled tea in other countries to determine if pickled tea can position itself in the market for ethnic cuisine.

Kabu and Tira (2015) their study aims to provide a value chain map as well as its analysis over fishery business in Kota Kupang, Indonesia. Actors of this business were mapped using the value chain approach then analysed further using profitability ratios in order to know how much profit gained by each actors within the value chain and its impacts towards sustainability of fishery business.

Sampit, Kindangen, Wullur (2016) the purpose of their study is to identify the value chain of brown sugar in Tomohon with a case study on Nira farmers. The analysis obtained, indicated that: (1) The flow of brown sugar's value chain generally involves three main contributors, namely the farmer/processor-trader consumer. (2) The value chain of brown sugar is divided into two main activities; with the first activity consisting of incoming logistics, operations, logistics exit (output), and marketing of brown sugar. And secondly, activities based on the infrastructure of brown sugar production, human resource development, technology development, and procurement. (3) From the SWOT analysis, brown sugar business is able to survive the long term although there is more need for development.

### Conceptual Framework

Figure 1 explains about a framework of this research, which is to analyze the value chain analysis in UD. Filadelfia Bitung. Figure 1 also shows the classified value chain by Michael Porter (1985:11-15). There are primary activities and support activities. Primary activities consist of inbound logistics, operations, outbound logistics, marketing and sales, and service. While support activities consist of firm infrastructure, human resource, technology development, and procurement. All those activities help company to create competitive advantage for company itself. Also help company has their value for each part.



**Figure 1 Conceptual Framework**

*Source: Data Analysis Method (2018)*

## RESEARCH METHOD

### Research Approach

This research descriptive qualitative research to analyze the value chain model in UD. Filadelfia Bitung. According to Saunders, Lewis, and Thornhill (2009), qualitative analysis generally involves one or more of summarizing data, categorizing data and structuring data using narrative to recognize relationships, develop and test propositions and produce well-grounded conclusions.

### Population, Sample and Sampling Technique

According to Sekaran and Bougie (2009:262), population refers to the entire group of people, events, or things of interest that the researcher wishes to investigate. While according to Walliman (2011), population can consist of certain types of objects, organizations, people or even events. Within this population, there will probably be only certain groups that will be of interest to researcher study, for instance, of all school buildings only those in cities, or of all limited companies, only small to medium sized companies. The social situation of this research is all elements that have an influence in analyzing the value chain analysis model in UD. Filadelfia Bitung.

This research used snowball sampling. Snowball sampling is commonly used when it is difficult to identify members of the desired population, for example people who are working while claiming unemployment benefit (Saunders, Lewis, and Thornhill, 2009)

### Data Collection Method

The data used in this research consist of two types of data, which is primary and secondary data. Primary data are gained from semi in-depth interview and secondary data are taken from several books, journals, and previous research.

### Operational Definition of Research Variables

The variable in this research is value chain analysis. Value chain analysis is a representation of UD. Filadelfia value adding activities, based on its pricing strategy and cost structure. Value chain analysis can be used to formulate competitive strategies, understand the source(s) of competitive advantage and identify and/or develop the linkages and interrelationship between activities that create value.

### **Instrument Testing**

The instrument testing is the tools that the researchers prepare for measurement while conducting the research. In an interview the instrument can be interview schedules, performance checklist, observation forms, attitude scales, and so on. In this research, the key instrument or research tool is the researcher itself.

### **Data Analysis Method, Validity and Reliability**

When the researcher is finished with the data collection, he/she has to start data analysis which again involves numerous issues to be answered. According to Miles and Huberman (1994) in Saunders, Lewis and Thornhill (2009:108), the process of analysis consists of three concurrent sub-processes, there are data reduction, data display, drawing and verifying conclusions. The reliability of a measure is established by testing for both consistency and stability. Consistency indicates how well the items measuring a concept hang together as a set (Sekaran and Bougie, 2009:365). Validity is concerned with whether the findings are really about what they appear to be about (Saunders, Lewis, and Thornhill, 2009:130).

## **RESULTS AND DISCUSSION**

### **Results**

The respondent of this research is the owner of UD. Filadelfia. This company does not have employees in the management department. For this reason, the researcher only interviewed the owner of the company. The second part of this chapter explains about the discussion after the interview.

UD. Filadelfia is a fish company that engaged in frozen fish. In this case the company bought fish from fishermen and frozen it according to the amount that has been set. Mr. Eki Luntungan as the owner of the company has started this business since 18 years ago, but only by renting a place This company has its own factory is about 3 years ago.

The types of fish that are processed in this company are malalugis, deho, maesan, baby tuna (under 1kg), mackerel, sako, etc. But the most widely produced is malalugis fish and deho. Fishermen delivering directly the fish to the factory, but sometimes company taken fish directly from fishermen. This company taking all the fish that fishermen brought even though the fish is not in accordance with the standards. The company taking fish regularly every day, after being taken from the fishermen the fish is weighed and the price is calculated according to type, size and quality. After receiving, it followed the process of first, sorted again according to type, size and quality of the fish after it is weighed 10 kg and arranged neatly in pan and putting into the ABF machine for freezing. The freezing process is around 18-20 hours, after that the fish is frozen and ready to packing into boxes. There are several boxes of different sizes. After being packed in the box the fish is put into a cold storage machine, but in the process of packing the fish must be arranged according to the size and place specified because otherwise the fish can be broken.

This company only has one regular customer in Jakarta that is routine taking fish from this company. The reason why the company only has one regular customer because the company has previous experience, that is the customer has received the order and they still not paid yet even though the item has been sold. This is detrimental to the company so that capital is reduced and production is hampered. For this reason, the company take a decision to have only one customer who has a good relationship. The good relationships that occur bring a good impact for company like customers taking all the fish that was sending by the company and payment is also made at the beginning or before the products are sent.

Delivery is done once a week or usually waiting for the ship to depart. Shipping costs are included with fish insurance, so that if fish are damaged/broken the company can claim losses. The problems that usually occur here are when the container is late or the container is less cold, causing fish to be broken. One container can contain 16-17 tons.

This company has its own catching vessel but it's rarely used because the fish is not routine and there will be many unemployed employees. In the full moon, usually the production process is less because the amount of fish is not as much as usual. The ship that company has is only a small ship so the company needs more suppliers/fisherman. To keep fishermen in order to regularly supply fish, companies provide more services to fishermen, such as paying off when the fish are brought and accepting all types of fish. Competitors in Bitung city that engaged in frozen fish is around 15-20 companies.

Human resource in this company used wholesale system, wholesale per kilo at a price of Rp.300/kg. Usually employees like this are called freelance or daily employees. Existing employees usually around 25-30 people. The more employees bringing benefit for the company because the production process is getting faster. The wages for employee are paid every two weeks. The wages they receive can reach 1-2 million.

For machines the company has 2 types of machines, namely ABF machines and call storage machines. ABF machines are machines for freezing fish while call storage is a machine for storing fish to keep it cool and fresh. The capacity of the ABF machine is 5 tons and the company had five units of the machine. A number of call storage machines are only 1 unit but it can accommodate until fifty tons. These machines are carried out routine service every three months and overall service for once a year.

The company has 1 generator set with capacity of 40-50 KVA. The company also has its own travel of 50 watts. Payment of electricity is 5 million/month and if the production increase company can pay up to 100 million.

### Value Chain Analysis

Value Chain Analysis is a way to visually analyze a company's business activities to see how the company can create a competitive advantage for itself. Value chain analysis also helps a company understands how it adds value to something and how it can sell its product or service for more than the cost of adding the value.

**Inbound Logistics:** receiving, storing, and disseminating inputs to the product

1. Material handling:

- a. bought fish from fisherman
- b. fisherman deliver fish directly to the factory
- c. problems that usually occur in this section when fish are not fresh anymore, the fish are not fresh because poor treatment, and affect the fish quality.

2. Inventory control:

- a. machine service is carried out periodically for 3 months.

3. Vehicle Scheduling

- a. vehicle schedule according to delivery schedule, that is once a week.

4. Returns to Suppliers:

- a. supplier in this company is fisherman
- b. fisherman delivering fish to the factory, fisherman got a lot of catch when the low winds, otherwise if the strong winds the fisherman just got a little catch.

**Operations:** transforming inputs into the final product form.

1. Machining: the machines owned by the company for management process are 2 types, that are ABF (for freezing) and cold storage (for storage to keep it cool), ABF machines owned by the company are 5 pieces and 1 piece can accommodate 5 tons, cold storage owned by the company only 1 piece but it can accommodate 50 tons.

2. Packaging: the fish is sorted according to the type, size, and fish quality, then frozen per 10 kg, last packing in a box.

**Outbound Logistics:** collecting, storing, and physically distributing the product to buyers.

1. Finished good warehousing: the fish that has been packed are loaded into the container. The container used electricity for the fish coolant until the container full.

2. Delivery vehicle operation: the vehicles that have been used when fisherman deliver the fish to the company is used the fisherman vehicle itself, the vehicle for delivery to customer used container.

3. Order processing: the order is made by the customer according to market needs.

4. Scheduling: delivery is done once a week.

**Marketing and Sales:** which buyers can purchase the product and including them to do.

1. Pricing: the price given by a standard company, according to market prices, when market needs increase, the price also increases.

**Service:** service to enhance or maintain the value of the product.

1. Provide service to suppliers: pay cash, take all the fish that has been brought.

2. Repair: machines are carried out routine service every three months and overall service for once a year.

**Infrastructure** of a company comprises its organizational structure, its departments and committees, organizational culture etc.

1. The structure or organization in this company is only handled by the owner of this company itself.

2. This company has no part of each structure.

**Human Resource Management** involve a wide range of activities related to employee recruitment and selection, training and development, appraisals, motivation and compensation.

1. The workforce is only for management in the factory.
2. Commonly referred to as freelance or daily employee.

**Technology development** involves the use of technology to increase the effectiveness of primary activities in terms of value creation.

1. Machines that company has already use advanced technology.
2. But for technology development in marketing the company has not been able to use advanced technology.

**Procurement** relates to the purchasing practices of raw materials, tools and equipment.

1. Process of purchasing practice of raw materials for this company is related with fishermen.

### **Support Activities**

Support activities is the activities in a firm that assist the firm as a whole by providing infrastructure or inputs that allow the primary activities to take place on an ongoing basis. Support activities consist of *firm infrastructure, human resource, technology development, and procurement.*

### **Firm Infrastructure**

Firm infrastructure consists of a number of activities including general management, planning, finance, accounting, legal, government affairs, and quality management.

General management in this company is about controlling the process of purchasing, processing, and selling the products. The process of purchasing in this company was doing every day, the company purchased fish from fishermen. Fish processing was carrying out every day but with a different number of fish because the amount of fish depends on how many fish supplied by fishermen. The selling products was doing by company every week.

The planning activities in this company is handled by the owner. Planning activities in this company such as, purchasing planning and delivering planning. For purchasing planning companies are usually flexible with the weather. If the weather is windy, fishermen find it difficult to get fish and the company only get a few fish or not at all. Finance, accounting, legal, government affairs is also handled by the owner. Finance activities in this company is about the purchased and payment products. Accounting activities is about financial reports or financial statements. Legal activities are about business license, building/land certificate. Government affairs is about the delivery license, and so on. So many activities in firm infrastructure and its only handled by the owner. There is no other employee in every part. That is why company was lack in firm infrastructure.

### **Human Resource**

Human resource management is concerned with the human beings in an organization. HRM is the process of managing people of an organization with a human approach. Human resources approach to manpower enables the manager to view the people as an important resource.

UD. Filadelfia do not have recruiting, hiring, training and development activities. The employees in this company only in production process and they are only a freelancer or daily employees. The employees in this company used labor from the area around the company with purpose to keep a good relation with local society. But for human resources itself this company is also lack because they do not have a standard for the employees.

### **Technology Development**

Technology development consists of a range of activities that can be broadly grouped into efforts to improve the product and the process. In UD. Filadelfia there are no activities that can support technology development for this company. All the product and process in this company just running as usual without new improvements or new standards. Can be concluded that the technology development in this company was lacked.

### **Procurement**

Procurement refers to the function of purchasing inputs used in the firm's value chain, not to the purchased inputs themselves. In purchasing inputs company has their value added because the process purchasing to fishermen is good. Company has a good relationship with supplier/fishermen. Company giving a good service for them as in terms of payment and receipt the products. UD. Filadelfia has an advantage in this section.

## **Primary Activities**

Primary activities have an immediate effect on the production, maintenance, sales and support of the products or services to be supplied. These activities consist of the following elements, *inbound logistics, operations, outbound logistics, marketing and sales, and service.*

## **Inbound Logistics**

**Inbound logistics activities associated with receiving, storing, and disseminating inputs to the product, such as material handling, warehousing, inventory control, vehicle scheduling, and returns to suppliers.**

The process of receiving fish from fishermen to the company are carried out by the daily employees. When the fish are brought to the company, the fish is immediately weighed and sorted. The fish is sorted by size, type, and quality. The problem usually happened in this section is when the fish not fresh anymore. It happens because of the poor treatment and it makes the quality of fish is getting worst.

In storing process, the company has their machine it called cold storage. Cold storage is a machine for storing to keep the fish cold and fresh. The capacity of this machine is 50 tons. But before putting the fish into cold storage the fish must be packed according to the standard.

## **Operations**

Operations activities associated with transforming inputs into the final product form, such as machining, packaging, assembly, equipment maintenance, testing, printing, and facility operations.

The process of processing fish from raw fish to frozen fish was done in several steps. The first step is sorted the fish according to types, size, and quality fish. The types of fish that are usually accepted by this company, are malalugis, deho, maesan, baby tuna, mackerel, sako, etc. While the size of fish usually below 1 kg. After sorting, the next step is the fish is putting into pan per 10 kg and put into ABF machine for freezing. The freezing process is around 18-20 hours. Then the fish is packing into the box, there are several types of sizes for each box. The next step, which is putting the fish into cold storage machine for storage and to keep the fish cold. After that, the fish are ready to deliver to customer.

This company has 2 types of machines, namely ABF machines and call storage machines. ABF machines are machines for freezing fish while call storage is a machine for storing fish to keep it cool and fresh. The capacity of the ABF machine is 5 tons and the company had five units of the machine. A number of call storage machines are only 1 unit but it can accommodate until fifty tons. These machines are carried out routine service every three months and overall service for once a year.

The operation in this company is running well but sometimes the problem here is in the packaging process. The fish must be packaged according to the size and types each fish in a good condition and right placement, if an error occurs in the packaging process the fish automatically would be broken. That is why this section must be done carefully.

## **Outbound Logistics**

Outbound logistics activities associated with collecting, storing, and physically distributing the product to buyers, such as finished goods warehousing, material handling, delivery vehicle operation, order processing, and scheduling.

The products that are ready to send are loaded into the container. While waiting for the contents of the container to be full, the company needs electricity as a cooling device so the fish keep fresh and not broken. After filling the container full, the fish are ready to send. Delivering process used a ship. The ship's departure schedule usually within a period of once a week.

In outbound logistics the problems usually happen are the container temperature and container delayed. When the container temperature is not cold the fish quality is reduced and when the container delayed delivering process is also delayed.

## **Marketing and Sales**

Marketing and sales activities associated with providing a means by which buyers can purchase the product and inducing them to do so, such as advertising, promotion, sales force, quoting, channel section, channel relations, and pricing.

UD. Filadelfia only have one customer in Jakarta, and this company decide not to add another customer because they are already had a bad experience before. The problem that happened is the customer has received the order and they still not paid yet even though the item has been sold. This is harmful to the company so that capital was reduced and production is hampered.

For that reason, finally the company has lacked in this section because there is no advertising, promotion, or something else that company did to get any customer.

### Service

Service is activities associated with providing service to enhance or maintain the value of the product, such as installation, repair, training, parts supply, and product adjustment.

To keep up supply will constantly available, the company need to keep a good relationship with suppliers/fishermen. The service that has been given from company to supplier which is pay cash the fish that has been brought and take all the fish no matter what the quality and size of its fish.

To maintain the quality of the product, the company need to maintain all the repair that has been used. The efforts that company did, which is service machines every three months and overall service every year.

For product adjustment company adjust with market demand or customer demand. Usually the most requested product are malalugis and deho fish.

## CONCLUSION AND RECOMMENDATIONS

### Conclusion

Based on the result and discussion from the previous chapter it can be concluded some points which are: (1) in support activities UD. Filadelfia has an experienced lack in Firm Infrastructure, Human Resources, and Technology Development. Firm Infrastructure has lack because this company is only handled by the owner. Human Resources because there is no standard for recruiting process and there is no training for the employee. Technology Development has lack because there is no activity that can support technology development for this company. Everything just running as usual without new improvements or new standards. (2) in primary activities UD. Filadelfia has some problems in Operation, and Outbound Logistics. The operation in this company is running well but sometimes the problem here is in the packaging process. The fish must be packaged according to the size and types each fish in a good condition and right placement.

In outbound logistics the problems usually happen are the container temperature and container delayed. While the advantage of this company is in the procurement section. In this section company has a value added because the process purchasing to fishermen is good.

### Recommendation

This research has been conducted in order to analyse the value chain in UD. Filadelfia Bitung. Here some recommendation proposed and found with this research for UD. Filadelfia and related parties:

1. For UD. Filadelfia Bitung, company should have employee for each part, starting from management, finance, accounting and operation. So that the company is not lack in firm infrastructure section. Company should have a standard for recruiting and also have a training for the employees. Company should have a new improvements or new standards for their technology development so that the company can compete with the other competitors.
2. For Universities, to give the students, lecturers and other parties especially economic and business faculty some knowledge and additional information about the qualitative study of value chain analysis.
3. For the future researcher, this research can be useful as a reference, subsequent research can also do research about the value chain analysis in production operation activity.

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