DEVELOPMENT OF MATURITY MODEL FOR OIL PALM UPSTREAM SUPPLY CHAIN

MOHAMAD AIDI AZAHAR BIN A RASHID

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MOHAMAD AIDI AZAHAR BIN A RASHID

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ABSTRACT

DEVELOPMENT OF MATURITY MODEL FOR OIL PALM UPSTREAM SUPPLY CHAIN

Mohamad Aidi Azahar A Rashid¹, Muhamad Zahid Muhamad^{2*}

Faculty of Plantation and Agrotechnology, UiTM (Melaka) Jasin Campus, 77300,

Melaka..

The oil palm supply chain is divided into upstream and downstream industry. Upstream industry comprises of growers and millers sectors, while downstream industry comprises of refiner and oleochemicals sectors. A maturity model is used by a company to measure their ability for continuous improvement in a particular discipline. Currently, the use of maturity model in oil palm supply chain is not very significant. The purpose of this research is to present an assessment that can quickly determine oil palm supply maturity. This can be achieved through a new interpretation of the Oil Palm Supply Chain Maturity Assessment (OPSCiMA). The OPSCiMA enables oil organization to assess their current maturity and know the area of strength and weakness of their organization based on existing best practices in supply chain management. This research involved a presentation of systematic literature review (SLR) on assessment of best existing practices in palm oil organization, used Design Science Research Methodology as a framework, used Grounded theory, and focus group interviews with selected organizations to develop OPSCiMA. The OPSCiMA defines 31 elements of supply chain best practices which are grouped into seven categories: strategy, control, process, resources, material, information, and organization. This model does not give any answer, it only poses question on which area need or can be improved. The evaluation of assessment had been conducted at various plantation companies. Results has showed that different company has different area of best practices and different area that need or can be improved. This result is preliminary in nature. This study should be extended to higher number of plantations companies to capture their maturity and eventually deploy this model. OPSCiMA can be used as roadmap of maturity in oil palm organization to plan a future prospect.

Keywords: OPSCiMA, Oil Palm Supply Chain, Maturity Model