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THE INFLUENCE OF PROCUREMENT DIGITAL CAPABILITIES, COLLABORATIVE SUPPLY CHAIN MANAGEMENT AND OPERATIONAL CAPABILITIES ON SUSTAINABLE BUSINESS PERFORMANCE MEDIATED BY COMPETITIVE ADVANTAGE IN GEOTHERMAL ENERGY COMPANY PARTNERS

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ABSTRACT

This study aims to analyze the effect of Procurement Digitalization Capability, Collaborative Supply Chain Management, Operational Capability through Competitive Advantage on Sustainable Business Performance at Geothermal Energy Company Partners. The method used in this research is quantitative method, where this research uses surveys and questionnaires distributed to vendors or partners of the Geothermal Energy Company as the object of research. The research sample was selected using purposive sampling with the acquisition of 115 respondents. This study uses data testing methods using validity and reliability tests on each variable studied. While the data analysis method used in this research is the Structural Equation Model (SEM) with AMOS software. The results showed that the direct relationship between the Procurement Digitalization Capability variable had a positive effect on Competitive Advantage. Collaborative Supply Chain Management variables have no positive effect on Competitive Advantage. While Operational Capability has a positive effect on Competitive Advantage and finally Competitive Advantage has a significant positive effect on Sustainable Business Performance. Based on the results of this study, it is recommended for further research to be able to develop research in different industries and with a broader scope.

KEYWORDS *Digital Procurement Capability, Collaborative Supply Chain Management, Operational Capabilities, Competitive Advantage, Sustainability Business performance*

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INTRODUCTION

Geothermal energy is an environmentally friendly energy that has the potential to become the most utilized energy source. Not many people know that Indonesia has the largest *geothermal* renewable energy potential in the world, despite plans to switch to renewable energy. It has not been utilized to its full potential. . Geothermal advances create very low air outflows. Geothermal energy has a small surface impression compared to some other types of energy. Increased geothermal energy production to replace existing electricity or heat production from carbon-based fuels can support government commitments to reduce greenhouse gas emissions (US Department of Energy, 2014; Mary and co., 2017). For companies competing in a global market environment, the operational business processes that make up a company's supply chain are characterized by copious amounts of data and information exchange. To improve their competitive position, companies must be able to effectively use and transform available data into useful information sources for decision-making in management and coordination in purchasing and Supply Chain Management (SCM). While digitization (sometimes also "digitalization") has been a buzz word in academia and among business practitioners for several years, a consolidated definition for the concept has not been widely adopted by academics and practitioners. SCM focuses on optimizing the flow of goods and materials by sharing and analyzing information about supply chain activities in internal and external business transactions (Chen and Paulraj, 2004). The influence of collaborative Supply Chain Management on operational capabilities means quality, flexibility and delivery, which companies need to compete strategically (Vanpoucke et al., 2017). They consist of different factors in the operations strategy (Wu et al., 2012) and integrate a firm's skill set (Teece, 2019; Zhang, Pawar, Shah & Mehta, 2013), to increase output through more efficient use of production capacity, technology and material flows (Zhang et al., 2013). They deliver superior operational performance over their competitors (Ojha et al., 2013). Collaboration should prioritize long-term relationships between firms participating in the chain and focus on improving each firm's operational capabilities (Wong & Wong, 2011).

Literature Review

Procurement Digitalization Capability

Digitalization, in this study, refers to the application of a wide range of technologies and practices that through smarter use of data, information technology, and automation are expected to not only improve operational efficiency, speed, and quality of business processes, but also enable entirely new business activities. Thus, digitization in the supply chain refers to the adoption of such processes and systems that enable companies to manage supply chain processes and operations. Further ahead in the use of digital technology lies the vision of a "supply chain that thinks for itself" where companies in the supply chain are digitally connected through a cloud-based IoT architecture that enables real-time connectivity and the use of artificial intelligence to monitor supply chain performance (Calatayud et al., 2019).

Collaborative Supply Chain Management

Companies are placing significant emphasis on Collaborative Supply Chain Management. This is because organizations cannot be separated from the many cycles and groups involved, both individual and unoriginal (Chopra and Meindl, 2003). Therefore, to continuously improve Collaborative Supply Chain Management, analysis is needed to measure the effectiveness of supply chain management Collaborative Supply Chain Management is a cooperative relationship in the supply chain process to form a Competitive Advantage through developing news, making joint decisions, and spreading the benefits derived from greater profitability (Mathuramaytha, 2011, p. 103). There are 2 factors that are seen in Simatupang's (2007) grouping of different Store networks based on specific layers: as indicated by intra-hierarchical standards and the idea of being connected across borders. The extent to which chain members agree on acceptable or necessary standards, the need for more efficient functioning, and the possibility to cooperate are all reflected in intra-organizational norms.

Competitive Advantage

According to Porter (1985), a firm's ability to perform better than other businesses in the same industry or market is known as Competitive Advantage. This ability can be achieved through the firm's characteristics and resources. In contrast, according to Michael Porter's (2013) theory, a company's Competitive Advantage is its ability to perform better than competitors in the same industry or market due to its characteristics and resources. Supported by Hana's (2013) hypothesis, the goal of any business is to beat the opponent and win new clients in a serious climate. This is absolutely necessary, especially when the business competes with many other manufacturers of similar products in the market. By knowing the advantages, the organization will be bound to stand out from the customers. The company's ability to improve the sales process, retain loyal customers, develop new products and generate more revenue, are all advantages of having a Competitive Advantage against competitors and the industry. Lower prices, bonuses not offered elsewhere, and products or services that competitors cannot offer are examples of Competitive Advantage.

Operational Capability

Operational capabilities mean quality, flexibility and delivery, which firms need to compete strategically (Vanpoucke et al., 2017). They consist of different factors in operations strategy (Wu et al., 2012) and integrate a set of corporate skills (Teece, 2019; Zhang, et al., 2013), to increase output through more efficient use of production capacity, technology and material flow (Zhang et al., 2013). They deliver superior operational performance over their competitors (Ojha, et al., 2013). A systematic review conducted by Soosay and Hyland (2015) shows that dynamic capability is one of the organizational theories that support collaboration, which enables firms to access, transform, and utilize supply chain resources to respond to the evolution of the competitive environment. Regarding quality, operational capabilities can be measured by the provision of better products and services (Nand,

et al., 2014), through production processes, which ensure that equipment and services follow customer requirements, and by the manufacture of equipment whose performance exceeds customer expectations (Avella, et al., 2011).

Sustainability Business Performance

The organization's environmental ability to regulate and manage natural resources such as water, air, land, and ecosystems is one of the Dimensions of Sustainable Business Performance (Michael et al., 2018) explicitly unsustainable (Gao and Bansal, 2013) appropriately and accurately so that associations generally deal with current circumstances. Economical public activities imply within an association to focus on its relationship with the encompassing local area as it should look according to the partner's point of view inward (Hussinki et al., 2019) Establishing communication with creditors and monitoring the health of its employees. The main goal of the organization is economic sustainability, specifically the profit of the business organization as measured by financial performance (Hussinki et al., 2019).

Conceptual Framework

- Research by (Anggraeni Permatasari et al., 2021).

This study examines the role of dynamic capabilities of traditional knowledge in the sustainability of creative SMEs in the weaving craft sector. *Competitve Advantage* increases if dynamic capabilities mediate the traditional knowledge management process with market needs. The population of this study is traditional weaving SMEs in Indonesia that develop their business activities through social media, where the population is unknown. Objective sampling was used for nonprobability in this study. Nonprobability is arbitrary and subjective. We targeted a minimum of 300 respondents to have a good sampling design (Comrey and Lee, 1992). This study used a questionnaire as an instrument to collect data from respondents. The questionnaire consisted of three sections. The first part is an introduction. The second section included screening questions and respondent profile. The last section consists of 12 questions to measure the variables. We used three indicators to measure sustainable performance based on Danso et al. (2020).

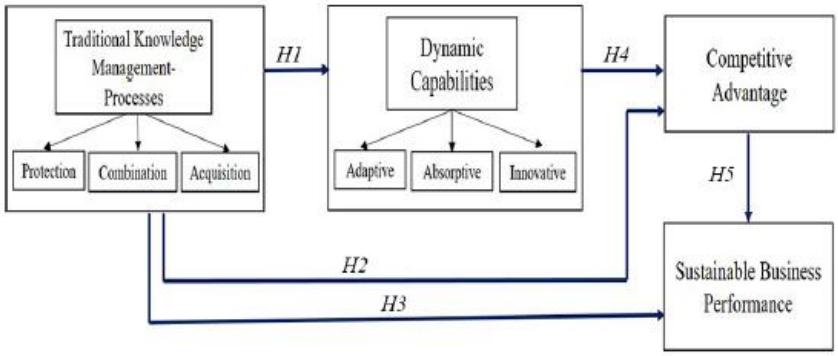

Figure 1: Conceptual Framework 1

- Research by (Antonio Carlos Domenek et al., 2021).

This study explains that the mediation analysis between the constructs of collaborative supply chain management, operational capability and operational performance in capital goods companies enables better environmental knowledge by organizations. Revealing that operational capability partially mediates the relationship between collaborative supply chain management and operational performance demonstrates the strength of the construct. By being present in theoretical and empirical models, operational capability assumes a causal relationship between collaborative supply chain management and operational performance (Hsu et al., 2009).

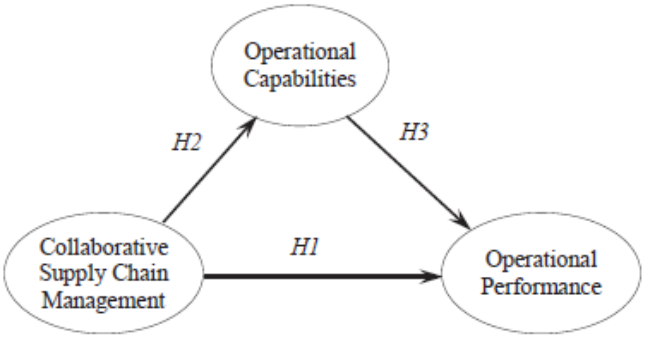

Figure 2: Conceptual Framework 2

- Research by (Jukka Hallikas, et al., 2020)

This study describes a sample drawn from the manufacturing and service supply chain actors of Finnish biorefinery companies as part of the Finnish forest industry cluster digitalization development program. The sample was determined together with forest industry program experts. The forest industry currently generates around one-fifth of Finland's export earnings and is a major employer in the country. The Amadeus commercial database was used to collect information on companies in addition to the survey. The survey instrument was carefully tested before being sent out with a pilot group of respondents as we wanted to ensure that concepts specifically related to digitization were in line with those used in the industry. In particular, this research explores the role of internal and external data analytics capabilities as an important complement to technology resources. The importance of data analytics in procurement and supply chains arises from the increasing amount of data available; understanding this data and using it is becoming a fundamental capability for competitive supply chains. When data from different systems, platforms and sources in the supply network are combined, even including customer activities, new opportunities and data-driven service innovations can occur (Holmström et al., 2010; Opresnik and Taisch, 2015; Parry et al., 2016).

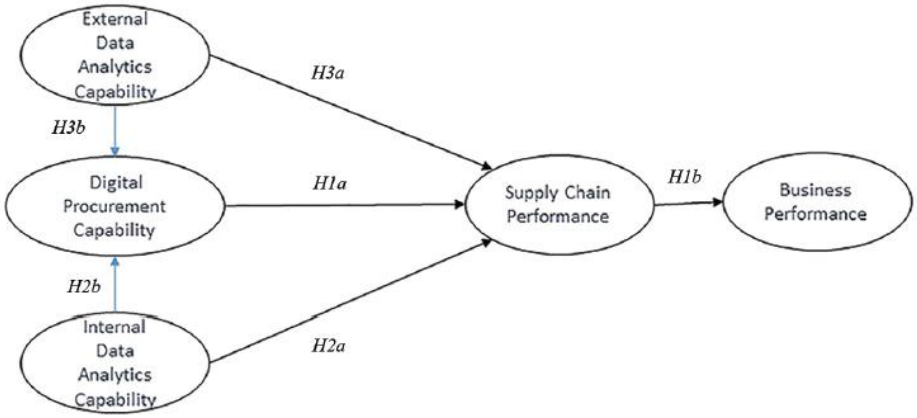

Figure 3: Conceptual Framework 3

Conceptual Framework

To develop the conceptual framework to be reviewed, this research used several journals, including one main journal and three supporting journals. These journals serve as references and citations. This exploration incorporates three previous examinations by (Kaur and Mehta, 2017a, 2017b; Vanpoucke et al., Kaur, 2019) and Vanpoucke et al. 2017) and (2018, Panahifar, Byrne, Salam, & Heavey), the research variables can be used in the research of companies in the field of *Geothermal Energy*, getting 4 variables, thus forming a conceptual framework as below.

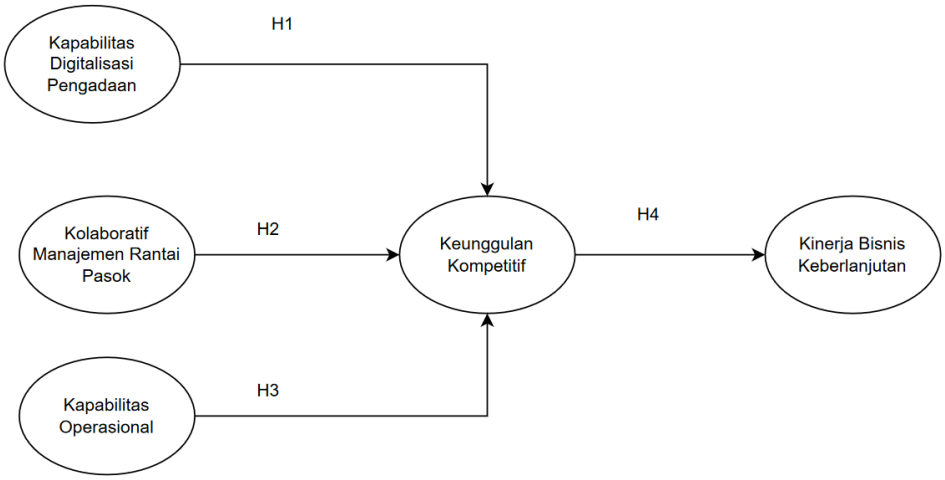

Figure 4: Conceptual Framework

RESEARCH METHOD

Quantitative exploration strategy is an examination technique in view of the positivism way of thinking, which can also be used to look at certain populations or testing. by utilizing items or details of research instruments for data collection, with quantitative or statistical data analysis intended to test the researcher's

hypothesis (Sugiyono, 2019). The research design uses hypothesis testing to determine the positive effect of Procurement Digitalization Capability on Competitive Advantage, the positive effect of Collaborative Supply Chain Management on Competitive Advantage, the positive effect of Operational Capability on Competitive Advantage, Competitive Advantage positive effect on Sustainability Business Performance. The data in this study is cross sectional data, this type of research was taken at one time, namely November 2022 with a sample of partners or Vendors at companies engaged in *Geothermal* Energy.

RESULT AND DISCUSSION

This research uses primary data, which is information collected directly from a sample of respondents chosen by the researcher. A Google Form-based online survey was used to distribute data at a specific time. The data collected are those that meet the requirements of the respondents; any data that does not match will be considered invalid. The number of statement indicators is multiplied by five to ten to obtain data (Jr. et al., 2018). Then, the number of samples in this study was determined by multiplying 23 statement indicators by 5 to obtain 115 samples.

The sample of this study was 115 samples, but due to time constraints and there were several samples that did not match the criteria, the data obtained in this study were 115 respondents. The characteristics of respondents from this study include gender, length of work and latest education are as follows:

Table 1. Respondent Profile

Gender	Frequency	Percent (%)
Men	69	60
Women	46	40
Total	**115**	**100**

Source: Data processed using SPSS 25

From the data above, the majority gender in this study was male as many as 69 people, while in women as many as 46 people.

Table 2. Profile of Respondents Based on Length of Service

Length of Service	Frequency	Percent (%)
0 - 5 years	26	22,6
5 - 10 years	32	27,8
10 - 15 years	34	29,6
> 15 years	23	20
Total	**115**	**100**

Source: Data processed using SPSS 25

From the data above, the majority of employees work for 10 - 15 years as many as 34 people (29.6%), followed by employees who work for 5 - 10 years as many as 32 people (29.6%), employees who work from 0 - 5 years as many as 26 people and the rest are employees who work > 15 years as many as 23 people.

Table 3. Profile of Respondents Based on Last Education

Education Last	Frequency	Percent (%)
High School/Vocational School	10	8,7
Bachelor	83	72,2
Master	22	19,1
Total	**115**	**100**

From the data above, the majority of employees have a bachelor's degree as many as 83 people, followed by employees with a master's degree with 22 respondents each, and the rest are high school / vocational school graduates as many as 10 people.

Testing using the SEM model is carried out in stages. If the right model (fit) has not been obtained, then the originally proposed model needs to be revised. If the problem appears in the SEM analysis, it indicates that the research does not support the structural model formed. Thus the model needs to be revised by developing existing theories to form a new model. The following are the results of the goodness of fit test using AMOS software version 21.

Table 4. *Goodness of Fit Model* Test Results

Measurement Type	*Goodness of Fit Index*	*Cut Off*	Value	Conclusion
Absolute Fit Measure	*ρ-value*	≥ 0,05	0,000	*Poor Fit*
	GFI	≥ 0,90	0,787	*Marginal Fit*
	RMSEA	≤ 0,10	0,078	*Poor Fit*
Incremental Fit Measure	NFI	≥ 0,90	0,827	*Marginal Fit*
	TLI	≥ 0,90	0,909	*Marginal Fit*
	CFI	≥ 0,90	0,920	*Goodness of Fit*
	IFI	≥ 0,90	0,921	*Goodness of Fit*
	RFI	≥ 0,90	0,803	*Marginal Fit*
Parsimonious Fit Measure	AGFI	≤ GFI value	0,747	*Goodness of Fit*

Source: Data processed using AMOS 21

The validity test is a test used to measure whether a questionnaire is valid or not. The questionnaire is considered valid if the questions on the questionnaire are able to reveal something that is measured by the questionnaire (Sekaran, 2016). *The* validity test approach in this study uses *factor loading* analysis, where the basis for making a decision whether or not it is valid is determined as follows:

Table 5. Factor Loading Value Based on the Number of Samples

Factor Loading	Sample Quantity
0,30	350
0,35	250
0,40	200
0,45	150
0,50	**120**
0,55	100

Factor Loading	Sample Quantity
0,60	85
0,65	70
0,70	60
0,75	50

Source: Hair *et al.*, (2019)

From the table above, it can be seen that according to Hair *et al.* (2019), an indicator is declared valid or not based on the number of samples. In this study, the sample used was 115 people. Thus, the minimum value for the validity test using *factor* loading> 0.50.

The following are the results of validity testing on the variables studied:

Table 6. Procurement Digitalization Capability Validity Test

Indicator	*factor loading*	Conclusion
Procurement Digitalization Capability		
Procurement team requests bidding documents from partners digitally	0,726	Valid
Online and digital billing process	0,817	Valid
Buyer submits bidding documents from digital electronic-RFP (Request For Proposal) counterparties	0,843	Valid
Order documents can be done digitally	0,849	Valid
Confirmation of ordering documents can be done digitally	0,887	Valid

Source: Data processed using SPSS 25 (attached)

From the table above, it can be concluded that each *factor loading* value on the indicators of the Procurement Digitalization Capability variable dimension has a value of more than 0.35, which means that each indicator measured is valid. This means that all statement items are appropriate in measuring the Procurement Digitalization Capability variable.

Table 7. Validity Test of Collaborative Supply Chain Management

Indicator	*factor loading*	Conclusion
Collaborative Supply Chain Management		
You understand the objectives of the company's targets	0,800	Valid
The company has a good relationship with customers / vendors who are more than 5 years old	0,784	Valid
You are committed to finding solutions to problems that often occur in your company	0,775	Valid
Your company provides technical support to fulfill the objectives achieved together	0,837	Valid
Your company reciprocally exchanges information with partners	0,605	Valid
Your company is taking strategic steps to achieve common goals	0,819	Valid

Source: Data processed using SPSS 25

From the table above, it can be concluded that each *factor loading* value on the indicators of the dimensions of the Collaborative Supply Chain Management variable has a value of more than 0.35, which means that each indicator measured is valid. This means that all statement items are appropriate in measuring the Collaborative Supply Chain Management variable.

Table 8. Operational Capability Validity Test

Indicator	*factor loading*	Conclusion
Operational Capability		
Your company excels in product and service quality	0.872	Valid
your company has superior equipment for operations	0.806	Valid
Your company has a quality production process of both goods and services	0.870	Valid
Your company quickly fulfills the needs of goods and services ordered by counterparties	0.826	Valid
Your employees have experts who are able to support customer needs	0.786	Valid

Source: Data processed using SPSS 25

From the table above, it can be concluded that each *factor loading* value on the indicators of the Operational Capability variable dimension has a value of more than 0.35, which means that each indicator measured is valid. This means that all statement items are appropriate / suitable in measuring the Operational Capability variable.

Table 9. Validity Test of Competitive Advantage

Indicator	*factor loading*	Conclusion
Competitive Advantage		
Quality products in your company that have certifications (e.g. ISO, etc.)	0,555	Valid
More than 5 customers in your company	0,585	Valid
Products in your company can improve the economy of the community	0,565	Valid

Source: Data processed using SPSS 25

From the table above, it can be concluded that each *factor loading* value on the indicators of the Competitive Advantage variable dimension has a value of more than 0.35, which means that each indicator measured is valid. This means that all statement items are appropriate in measuring the Competitive Advantage variable.

Table 10. Validity Test of Sustainability Business Performance

Indicator	*factor loading*	Conclusion
Sustainability Business Performance		

Product/service development in your company has followed market demand and the latest technology	0,893	Valid
You are satisfied with the appearance of the i P2P application	0,808	Valid
i P2P application provides convenience for your company's business processes	0,883	Valid
Geothermal energy impacts changes in the surrounding environment	0,652	Valid

Source: Data processed using SPSS 25

From the table above, it can be concluded that each *factor loading* value on the indicators of the dimensions of the Sustainability Business Performance variable has a value of more than 0.35, which means that each indicator measured is valid. This means that all statement items are appropriate in measuring the Sustainability Business Performance variable.

Reliability test is a test that remains consistent after being carried out repeatedly with the same sample and conditions (Sekaran, 2016). The reliability test of each variable can be seen from the Cronbach's Alpha value. An indicator is considered reliable if it has a Cronbach's Alpha of 0.6 or more (Sekaran, 2016). The basis for making reliability decisions is:

- If the Cronbach's Alpha value is ≥ 0.60, the statements in the questionnaire are consistent.
- If the Cronbach's Alpha value is <0.60, the statements in the questionnaire are inconsistent.

Table 11. Reliability Test Results

Variable/Dimension	Number of Indicators	Cronbach's Alpha	Decision
Procurement Digitalization Capability			
E-Bidding	1	0, 910	Reliable
E-Billing	1	0, 894	Reliable
E-RFP (Request for proposal)	1	0, 887	Reliable
E-Order	1	0,893	Reliable
E-Order confirmation	1	0,889	Reliable
Collaborative Supply Chain Management			
Mutual understanding of goals among companies	1	0, 865	Reliable
Mutual understanding of goals among companies	1	0, 869	Reliable
Mutual understanding of goals among companies	1	0,865	Reliable
Organizations' commitment to finding solutions to common problems	1	0,854	Reliable
Technical and organizational support to meet shared goals	1	0,854	Reliable
Open and reciprocal information exchange among partners	1	0,902	Reliable
Alignment to meet common goals	1	0,857	Reliable

Variable/Dimension	Number of Indicators	Cronbach's Alpha	Decision
Operational Capability			
Provide superior quality products and services	1	0, 893	Reliable
Provide superior quality products and services	1	0,904	Reliable
Manufacturing equipment with performance that exceeds customers' expectations	1	0,890	Reliable
The quality of the production process ensuring equipment and services according to customers' requirements	1	0,902	Reliable
Ability to quickly meet the needs for materials and services requested by customers	1	0,906	Reliable
Competitive Advantage			
Product quality	1	0,558	Reliable
Number of customers	1	0,566	Reliable
Sales revenue	1	0,606	Reliable
Sustainability Business Performance			
Economic	1	0,813	Reliable
Social	2	0,721	Reliable
Environmental	1	0,716	Reliable
Environmental	1	0, 790	Reliable

Based on the table above, the Cronbach's Alpha value on the variables used in the study has met the criteria for reliability testing because each variable has a Cronbach's Alpha value ≥ 0.60, for respondents' answers to the indicators used to measure each variable are consistent and reliable.

Testing using the SEM model is carried out in stages. If the right model (fit) has not been obtained, then the originally proposed model needs to be revised. If the problem appears in the SEM analysis, it indicates that the research does not support the structural model formed. Thus the model needs to be revised by developing existing theories to form a new model. The following are the results of the goodness of fit test using AMOS software version 21.

Table 12. *Goodness of Fit Model* Test Results

Measurement Type	Goodness of Fit Index	Cut Off	Value	Conclusion
Absolute Fit Measure	ρ-value	≥ 0,05	0,000	Poor Fit
	GFI	≥ 0,90	0,787	Marginal Fit
	RMSEA	≤ 0,10	0,078	Poor Fit
Incremental Fit Measure	NFI	≥ 0,90	0,827	Marginal Fit
	TLI	≥ 0,90	0,909	Marginal Fit
	CFI	≥ 0,90	0,920	Goodness of Fit
	IFI	≥ 0,90	0,921	Goodness of Fit
	RFI	≥ 0,90	0,803	Marginal Fit

Parsimonious Fit Measure	AGFI	≤ GFI value	0,747	Goodness of Fit

Source: Data processed using AMOS 21

From the results of the model fit test above, the sig, probability value is 0.000 <0.05 which can be concluded to be a poor fit. GFI has a value of 0.787 which means marginal fit because it is close to the cut off value. RMSEA has a value of 0.078 ≤ 0.10 which means poor fit. The next criteria are NFI, TLI and RFI have values of 0.827, 0.909 and 0.803 which means marginal fit. While CFI and IFI have values of 0.920 and 0.921 respectively, which means goodness of fit because they have a cut off value ≥ 0.90.The last criterion is the AGFI value of 0.747, which means goodness of fit because it meets the cut off value, namely ≤ the GFI value of 0.787.Overall, it can be concluded that this model is declared feasible (goodness of fit) so that it can proceed to the next test, namely hypothesis testing.

The validity test is a test used to measure whether a questionnaire is valid or not. The questionnaire is considered valid if the questions on the questionnaire are able to reveal something that is measured by the questionnaire (Sekaran, 2016). The validity test approach in this study uses factor loading analysis, where the basis for making a decision whether or not it is valid is determined as follows:

Table 13. *Factor Loading* Value Based on the Number of Samples

Factor Loading	**Sample Quantity**
0,30	350
0,35	250
0,40	200
0,45	150
0,50	**120**
0,55	100
0,60	85
0,65	70
0,70	60
0,75	50

Source: Hair *et al.*, (2019)

From the table above, it can be seen that according to Hair et al. (2019), an indicator is declared valid or not based on the number of samples. In this study, the sample used was 115 people. Thus, the minimum value for the validity test using factor loading> 0.50.

The following is a picture of the research model as follows:

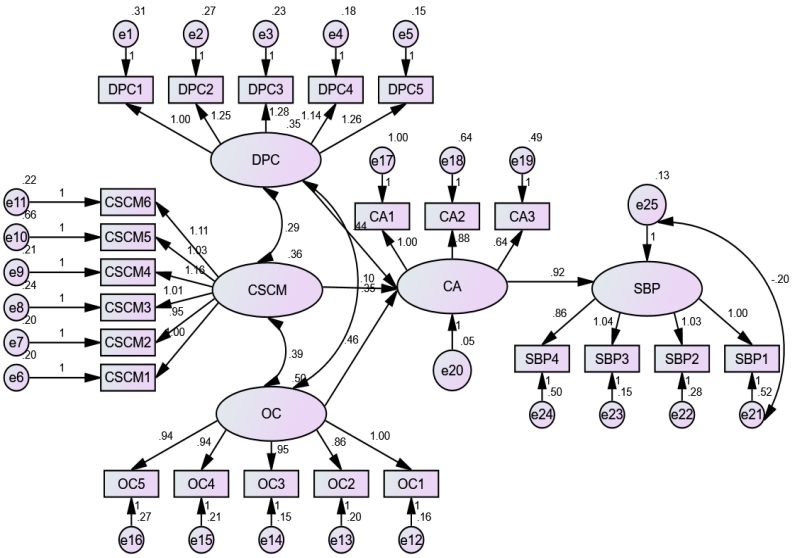

Figure 1. ***Structural Equation Model***

CONCLUSION

Based on the results of research that has been conducted on the Effect of Digital Procurement Capabilities, Collaborative Supply Chain Management and Operational Capabilities on Sustainable Business Performance Mediated by Competitive Advantage in Geothermal Energy Company Partners, the following conclusions can be drawn: 1. Procurement Digitalization Capability has a positive effect on Competitive Advantage This is because the Procurement process in the Company (PGE) is carried out digitally, causing fair and transparent partner competition so as to produce superior partners in carrying out their activities to run company operations. 2. Collaborative Supply Chain Management has a positive effect on Competitive Advantage. This can be concluded with the collaboration between partners and the Supply Chain Management (SCM) function in order to achieve the target goals achieved, collaboration not only partners with the SCM function but also with other functions so as to provide technical support to meet more strategic goals. 3. Operational Capability has a positive effect on Competitive Advantage. This is in carrying out operations using quality goods in Geothermal drilling activities, surveys looking for geothermal potential in Indonesia to support superior operational activities also requires experts who handle and support the needs of companies and partners. 4. Competitive Advantage has a positive effect on Sustainable Business Performance. It can be concluded that in building competitive advantages for partners who compete in tenders, the influence is not only in the internal sector but also in the external sector of geothermal activities that produce business in a sustainable manner.

Competitive Advantage and Procurement Digitalization Capability are two interrelated aspects that can affect the business performance of *Geothermal Energy* Companies. A good Competitive Advantage can create a conducive environment for the development of digital technology and encourage companies to make optimal use of it. Meanwhile, a good Procurement Digitalization Capability can

also help improve operational efficiency and create long-term benefits for the company. Competitive Advantage in Geothermal Energy Company has an advantage in helping the company to win the competition in the market makes the company can manage geothermal resources effectively and efficiently, so as to produce high quality electrical energy at a lower cost. The company has a strategic geographical location, especially in Indonesia which is one of the countries with large geothermal potential in the world. This allows the company to optimally utilize the available natural potential, and expand its market and customer reach. By implementing Competitive Advantage, the Company can improve the efficiency and effectiveness of supply chain management, thus benefiting all business partners. In addition, this can also help the company to increase competitiveness and win competition in the market and strengthen relationships with its business partners. The Sustainability Business Performance applied to the Company is a competitive advantage that results from stakeholder needs while considering human welfare and ecological constraints.

This research only focuses on discussing performance towards business sustainability in Geothermal companies, limiting the application of the findings and engagement for partners to a low level. This research only discusses the variables, Digital Procurement Capability, Collaborative Supply Chain Management, Operation Capabilities, Competitive Advantage and Sustainable Business Performance.

Sustainability Business Performance is indicated to have increased in competitive advantage, but for competitive advantage there is a significant decrease in supply chain Management Collaboration so that it has not been able to provide technical support, and take strategic steps to achieve common goals. From the results of research and discussion as well as the limitations that have been stated by researchers, suggestions that can be recommended for further research are: 1, Future research is expected to be able to take samples and populations in companies engaged in other services. 2, Adding Further researchers are expected to add variables other than Sustainable Business Performance, such as Supply Chain Performance, Business Performance, Operational Performance and Dynamic Capabilities.

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