

## ABSTRACT

*A good competitive advantage in the supply chain of an industry will improve the position and competitiveness of the market. But the problems that occurred in Sentra Binong Jati were the product of losing competitiveness with foreign products, expensive raw materials from factories as they had to pass through distributors and subdstitutors, wholesale pricing games that made losing knitting business, and the era of digitalization that forced the knitting business to switch to online marketing. Competitive advantage at Sentra Rajut Binong Teak is influenced by supply chain collaboration and supply chain capability.*

*The method used in this research is quantitative method, descriptive, and data that is used is primary data result from spreading of kuesioner to knitting industry registered at Industrial Cooperative Rajut Binong Jati (60 knitting business) and interview from resource which is owner of most information. While the analysis technique used is the analysis with Partial Least Square (PLS-SEM). Based on the results of data processing found that there is a positive influence between supply chain collaboration of the value of innovation on supply chain capability. there is also a positive influence between supply chain capability to competitive advantage, as well as supply chain innovation value innovation has a positive influence on competitive advantage through ability supply chain in Rajut Binong Jati Bandung.*

***Keywords: Collaboration, Supply Chain, Supply Chain Capability, Competitive Advantage`***