

# Small Medium Enterprises with Corporate Social Responsibility to be Part Supply Chain Management of Industry

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## **ABSTRACT**

SME or Small Medium Enterprises in general have financial and market problems. SME cannot market products because they do not have a market. There is no market so the product is not sold. Products that are not sold SME do not have income so that they have financial problems to keep the business running. One solution to the SME problem is CSR or Corporate Social Responsibility assistance. In this case the author tries to make a series of systems to be a solution.

**Keywords:** Supply Chain Management, Small Medium Enterprise  
**Introduction**

SMEs or Small and Medium Enterprises in general have problems in finance and markets. SMEs cannot market their products because they do not have a market. There is no market so the product is not sold. Products not sold SMEs have no income so financial problems keep the business running. One solution to the SME problem is CSR or Corporate Social Responsibility assistance.

PT. XYZ, is an industrial company in manufacturing. PT XYZ seeks to carry out CSR to SMEs that have the potential to grow. In this system, PT XYZ can help SME and can also become a partner of PT XYZ as a supplier and marketer.

In this case the author tries to make a circuit system so that SMEs which are workshops get a market so that products are sold to CSR providers in the manufacturing industry. With this system, SMEs can become suppliers for the manufacturing industry and solutions to several SME problems.

## **Literature Review**

### **CSR**

Corporate Social Responsibility (CSR) is an agreement from the World Summit on Sustainable Development (WS-SD) in Johannesburg, South Africa 2002 which is intended to encourage all companies in the world to create a sustainable

development[1]. According to Anatan, the concept of CSR involves partnership responsibilities between the government, companies, and local communities that are active and dynami [2].

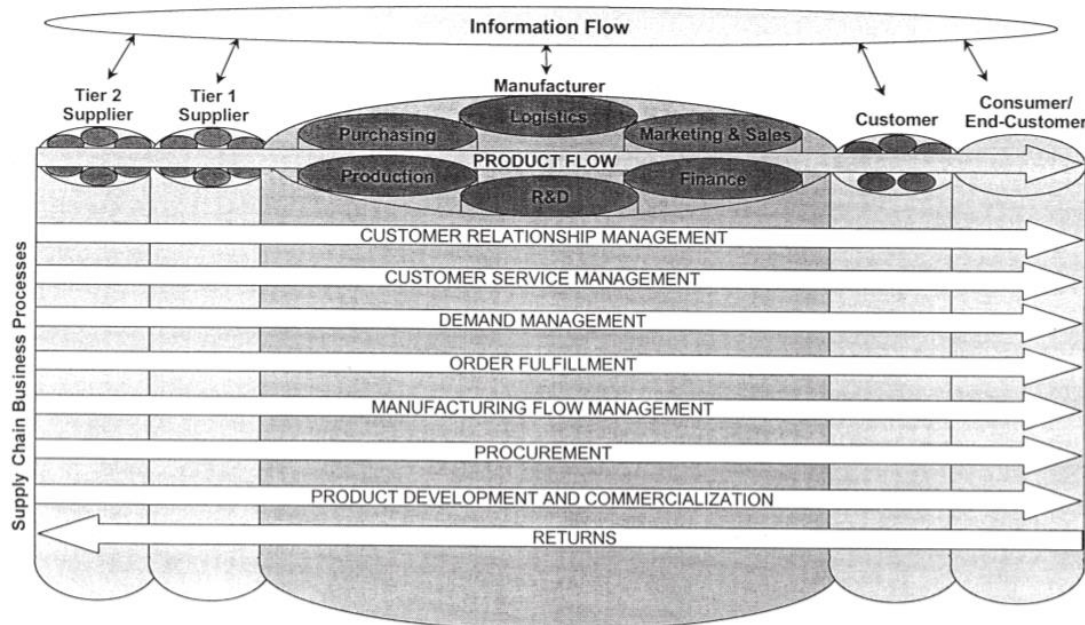


Figure 1 SCM Concept

### Supply Chain Management

Lambert, Douglas M., and Martha C. Cooper says This broader understanding of the SCM concept is illustrated in Figure 1, which depicts a simplified supply chain network structure, the information and product flows, and the key supply chain business processes penetrating functional silos within the company and the various corporate silos across the supply chain[3]. Supply chain management is increasingly being recognized as the integration of key business process across the supply chain[4].

### Analysis System

PT. XYZ, as an industry of manufacture, chooses SME that has the potential as a partner to become a supplier. The SME then conducts training in order to obtain standards that are in accordance with the industry of manufacture. In this case, the industry of manufacture and SME can establish cooperation as mutually beneficial partners from various parties.

### Training

SME as a workshop supplier from the industry of manufacture must receive training from the industry of manufacture. The training that contains various aspects does not only meet the standards to become a supplier. Industry of manufacture is also expected to develop raw materials, tools, technology, products, finance and others

### Quality



Quality here is a standard that is adjusted to the standards used

by the manufacturing party. SME as a workshop supplier from the industry of manufacture must have standards that are in accordance with those determined by the manufacturing industry. The standard aims for the manufacture industry to have the appropriate quality.

### Process

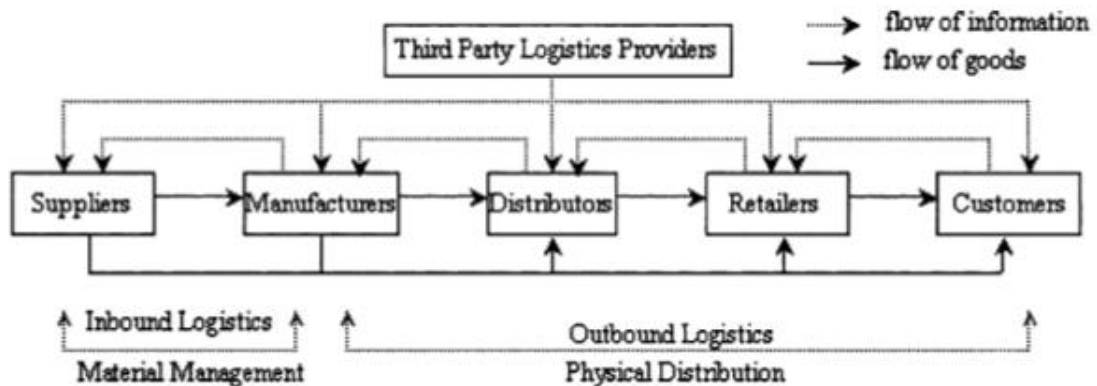


Figure 2 Supply Chain Process

From the picture above where the system in this study is in the position of inbound logistics or material management. This system is also CSR can also be applied to SME in the Distributors and Retailers. In this case, it helps the supply chain management cycle in the industry of manufacture where the SME is a partner in the part as a supplier workshop. A supply chain is referred to as an integrated system which synchronizes a series of inter-related business processes[5].

### Conclusion

In this case, various parties benefit This system is used in the manufacturing industry that carries out CSR for SME workshops that can be used as suppliers. The author hopes that this system is not only applied to the object of the manufacturing industry, but also to other industries. This system needs a more in-depth study.

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