

Supply Chain Management to Control Business Risk: A Social Enterprise Case Study

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Abstract— Village Owned Enterprises are business entities that have a dual identity, namely as a social institution (social institution) and at the same time commercial (commercial institution). Based on that identity, it is classified as a social enterprise. This research aims to find out the application of supply chain to social enterprise. The research was conducted on a Village Owned Enterprise in corn farming activities. The study uses qualitative research methods, with data collection through in-depth interviews and observations. The results showed that the supply chain carried out by The Pakandangan Village Owned Enterprises has been well implemented in order to create community welfare and grow the community economy. This research provides implications that supply chain management in Pakandangan Village Owned Enterprises can minimize the risk of loss in corn farming businesses. In addition, the practice of supply chain management in Social Enterprise has a positive social impact on the community through community involvement as part of the supply chain. Supply chain management for Social Enterprise helps business to control the risk, especially social and environmental risk.

Keywords—Supply Chain Management, Social Enterprise, Welfare of village communities, Risk Management, Village Owned Enterprises

I. INTRODUCTION

This research aims to understand the model of the application of supply chain to Village-Owned Enterprises in corn farming activities. Village Owned Enterprises (BUMNag in Indonesia) is a business entity that has a dual identity, namely as a social institution and at the same time commercial [1]. As a social institution BUMNag sided with the interests of providing social services [2]. While as a commercial institution, it aims to seek profit from various businesses activities [3], [4].

Supply chain is a concept where there is a regulatory system related to product flow, information

flow and financial flow [5], [6]. A supply chain is a set of activities (either in the form of entities or facilities) involved in the process of transformation and distribution of goods ranging from the earliest raw materials from nature to the finished product to the end consumer [7]–[9].

Based on this information, a supply chain consists of companies that transport raw materials from the nature, companies that transform raw materials into semi-finished materials or components, suppliers of product supporting materials, assembly companies, distributors, and retailers who sell these goods to the end consumer [10] [11]. Supply chain is all integrated activities including the flow of information related to three aspects, namely: (1) sources; (2) the production process, and (3) the process of delivering the product [12]–[14].

Parties involved in a supply chain are Village-Owned Enterprises Pakandangan Emas as a supplier of raw materials until used by the end consumer. In the Government Regulation of the Republic of Indonesia, article 11, 2021 said Village-Owned Enterprises is a legal entity established by businesses, utilizing assets, developing villages and (or) together with villages to manage investment and productivity, providing other services for the maximum welfare of services, and / or providing the type of business of rural communities. The existence and performance of Village-Owned Enterprises is able to contribute significantly to the improvement of the welfare of villagers [15], so as not to develop a capitalistic business system in the countryside that can lead to disruption of the values of community life [16].

Supply chain run by Village-Owned Enterprises is a corn farming business unit. The supply chain of agricultural products is probabilistic, dynamic and highly dependent. This happens because agricultural products are easily damaged, the process of planting, growth and harvesting depends on the season, the crop has a varied shape and size, and agricultural products

are kamba so that agricultural products are difficult to handle. Therefore, agricultural products are carried out supply chain to handle all risks.

II. RESEARCH METHODS

This research method uses a qualitative approach. Qualitative research is a research procedure that uses descriptive data in the form of written or oral words from people and actors that can be observed. This approach was chosen to gain an understanding of supply chain in socio-entrepreneur. This research uses a qualitative approach. Qualitative research is a research procedure that uses descriptive data in the form of written or oral words from people and actors that can be observed. This approach was chosen to gain an understanding of supply chain in socio-entrepreneur. The data collection techniques used in research depend on the type of data collected and the sources available in the research. Furthermore, based on available data sources, appropriate data collection techniques can be selected, to answer problems in research. The main data collection activity is in-depth interviews. By doing this method from the case that the author observes can be told from the point of view of the person involved in the case directly. Interviews are not the only techniques for collecting data such as observation, documentation and other supporting data that can be data collection techniques.

III. RESULTS

3.1 Supply Chain

Village-Owned Enterprises lease unmanaged community farmland, after which the leased land is grown in corn to produce corn fruit.

"Community land contracted by Village-Owned Enterprises or unproductive land"

Village-Owned Enterprises renting land that had not been used by the community, then managed by Village-Owned Enterprises. Village-Owned Enterprises purchases goods such as seedlings, fertilizers, sprays, and vitamins at agricultural shops in Pakandangan Emas Nagari. In the work of land until harvest, it is carried out by farmers groups ranging from land clearing, land clearing to planting, fertilizer, spray, harvest.

After the land is cleared, about 1-3 days according to the land area, then planting seedlings the work time is 1-5 days according to the land area. Planting is done by using agricultural machinery. Manure given at the time of planting after 15 days was carried out the first chemical fertilization carried out by the farmer group. Then the spraying of calaris a maximum of 15 after the first fertilizer. After that the field is given a second chemical fertilizer a maximum of 45 days after

planting or after growing flowers. After that, it is waited up to 4 months before 15 days of harvest.

Next step, the field is rounded-up for grass that has propagated into the corn stalk so that no snakes nest. After 160 days or 4 months of harvesting if it appears on the stems and leaves of corn that begin to dry out. At the time of harvest is done stripping corn. That is corn put into a tleser machine after it is packed and put in a sack, then sold to customers or cage entrepreneurs in Pakandangan.

"If the chain I buy spray seeds such as seeds, fertilizers, poisons, vitamins"

"Starting from land cleaning to planting, first fertilizer, spray, second fertilizer, spray, harvest"

3.2 Socio Entrepreneur

The supply chain in Village-Owned Enterprises of Pakandangan Emas can create community empowerment judging by workers carried out by workers from the community.

"Involving farmers groups every activity is turned on wages, daily wages so economic empowerment there if in the language of the ministry of cash-intensive villages means opening jobs for the village community or nagar community. So by itself BUMNag opens jobs for farming groups"

Raw materials purchased at the Pakandangan Nagari store can support existing businesses in Nagari Pakandangan.

"Anyway the spray was purchased at an agricultural shop in Nagari Pakandangan"

For the land used is rented to the community around Nagari Pakandangan whose land is no longer managed.

"on community land contracted by the Village-Owned Enterprises of Golden Feed... automatically unproductive land is revived so it then goes to the landowner".

After harvesting corn sold to the cage entrepreneurs in Nagari Pakandangan.

"After the harvest we also sell to chicken entrepreneurs in Nagari Pakandangan so the product rotates in Nagari Pakandangan only"

So, from the supply chain carried out in agricultural activities can create prosperity and economic condition in Nagari Pakandangan.

"So, it revolves around Nagari Pakandangan only starting from buying samprotan we buy in community stores in Nagari Pakandangan, workers in the empowerment of The Pakandangan community and corn we sell to the residents of Nagari Pakandangan who raise chickens"

IV. CONCLUSIONS

Supply chain is a concept where there is a regulatory system related to product flow, information flow and financial flow (financial)). Conducted by Village-Owned Enterprises of Pakandangan Emas to create prosperity and grow the economy of the community. The supply chain is done to minimize the risk of losses both done on product flow, information flow and financial flow. Village-Owned Enterprises of Pakandangan Emas has implemented supply chain well seen from the results of the above research, Village-Owned Enterprises of Pakandangan Gold has made a series of activities and cost estimates incurred to deal with the risk of loss. With the Village-Owned Enterprises of Pakandangan is very useful because it can create the welfare of the community around Nagari Pakandangan Emas. The implication of this research is that the implementation of supply chain management in organizations with social enterprise value, greatly assisting organizations in controlling social costs and environmental costs.

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