

## **ABSTRACT**

Indonesia shoes industry included in the top 10 to 4 in the world. And so the authorities focus on the industry continues to grow. According to the minister of industry, 49,62% industry footwear or shoes comes from west java, such as Bogor, Tasikmalaya, and Bandung. Micro, Small, and Medium Enterprise (SME's) have an important role in development and economic growth, not only in developing countries such as Indonesia, so it can help Indonesia to continue to develop the SME's.

Application of the three wheel functions in which to base in the organization needs to consider seriously, in order for the creation of growth towards positive made by the businesses in the center of Cibaduyut industry. The three wheel basic of the marketing, production/operation, and finance. Constraint on the functions of production / operation not be separated from the supply chain from the company evolved as the business in center of Cibaduyut industry. The number of respondents in the study is a total 194 of the respondents. The methods used the quantitative to the analysis factor. Based on the results of research there are four risks impeding the performance of supply chain in center of Cibaduyut Industry that is Logistic Side Risk, Inventory, Corporate Strategy, and Market Risk.

Keywords: SMEs, Supply Chain Risk, Center of Cibaduyut Industry, Factor Analysis