



International
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CHINESE SUPPLIER TRAINING Sustaining Competitive and Responsible Enterprises (SCORE)

Global markets provide unprecedented opportunities for small and medium-sized enterprises (SMEs) in developing and emerging economies – and full advantage is not yet being taken of these markets. If SMEs could increase their participation in global markets, the benefits to businesses – and those who work in them – would be significantly increased, with positive multiplier effects for the economy, society and the environment. Problems with product quality, productivity, waste and pollution, workplace safety and health, and human resources management, all reduce SME competitiveness and hamper participation in global supply

chains. They also have a negative impact on the environment. From the standpoint of the lead buyers, including multinational enterprises (MNEs) and large national buyers that often purchase from SMEs, these problems represent risks, ranging from supply chain disruption to damage to brand reputation and a loss of consumer confidence. Investing in responsible and sustainable enterprise practices in SMEs is a way of addressing the root causes of these problems, thereby achieving real returns for MNEs, for the SMEs from whom they buy, and for those who work in them.

FACTS AND FIGURES

Partners:
COOP Switzerland;
Foreign Trade
Association (FTA)

Beneficiary country:
China

Timeframe:
2013 – May 2014

Budget:
USD 80,000

THE RESPONSE

The ILO's Sustaining Competitive and Responsible Enterprises (SCORE) is a practical training and in-factory counselling programme that improves productivity and working conditions in small and medium enterprises. The product demonstrates best international practice in the manufacturing and service sectors and helps SMEs to participate in global supply chains.

The training is equally relevant to start-ups, established companies struggling to maintain market share, and dynamic firms with big ambitions. Based on proven lean-manufacturing techniques and the development of worker-manager cooperation, the training boosts production efficiency and enterprise performance with on-site consultations helping to address the individual needs of companies.

The ILO has partnered with the Business Social Compliance Initiative (BSCI) as part of its implementation of the SCORE training programme. BSCI is a business-driven initiative of the Foreign Trade Association (FTA) that supports companies committed to improving working conditions in global supply chains.

A previous SCORE partnership saw COOP, a Swiss retail group and member of BSCI, sponsor SCORE training for three of their Chinese suppliers in 2011 and 2012. Given the success of this project (as outlined below), a further partnership with BSCI has been developed to expand access to this training. This new partnership involves 10 SMEs in China, employing up to 2,500 workers, trained in SCORE. All enterprises are in the supply chains of BSCI members.

To support this intervention and as part of a sustainability strategy that ensures the independent delivery of SME upgrading services, the overall SCORE programme – funded by the Norwegian Agency for Development Cooperation (NORAD) and the Swiss State Secretariat for Economic Affairs (SECO) – is working to create a network of trainers that will be able to continue providing high-quality training services in China and six other countries (China, Colombia, Ghana, South Africa, India, Viet Nam and Indonesia). This network is being built through the implementation of “training of trainer” courses and refresher sessions for the benefit of SCORE training coordination institutions and local service providers.



“SCORE has brought us many new concepts. Now when we look at problems, we have new perspectives and find great room for improvement.”

Mr. Weng Youngguang – Deputy General Manager, Multiplex Optoelectronic Technologies Co., Ltd.



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RESULTS

The pilot partnership with COOP Switzerland saw three of its Chinese supplier enterprises trained under the SCORE package. COOP and its suppliers noted improvements in defect rates, number of accidents, energy consumption, waste production, and cost savings. Feedback from workers and SME managers on the training programme was also positive.

For example:

- 92 per cent of interviewees considered that worker-management relations had improved and that trust and mutual respect had been strengthened;
- 100 per cent of managers surveyed considered that production costs had decreased and productivity increased – for example, Lianglong Socks cut production costs by 30 per cent and increased output capacity by 10 per cent;
- 94 per cent of interviewed workers agreed that their working environment had improved and 87 per cent indicated that their working efficiency had also increased dramatically.

The overall SCORE programme (Phase I) in China trained 53 SMEs (784 staff), and conducted 224 enterprise visits. The results were as follows:

- 83 per cent of enterprises reported cost savings (USD 18,670 on average);
- 70 per cent of enterprises reported reductions in defects (-11 per cent on average);
- 50 per cent of enterprises recorded a reduction in material usage;
- 30 per cent of enterprises reported cuts in energy consumption (-13 per cent KWh per production unit on average).

In addition to including more Chinese SMEs in the SCORE programme, the current partnership with BSCI will further demonstrate the benefits of partaking in SCORE training. This will, in turn, help to expand the reach of SCORE and thus benefit more SMEs – and ultimately communities, economies and the environment.

BENEFITS OF PARTNERING

By partnering with the ILO and gaining access to the SCORE programme, lead buyers are able to have a real and positive impact on improving working conditions throughout global supply chains.

Suppliers engaging in SCORE training benefit from more efficient workplaces, improved product quality, greater dialogue between workers and managers, increased worker motivation, lower absenteeism rates, and safer and healthier working conditions.

Workers benefit from greater decent work opportunities in healthier workplaces.