

## **CHAPTER 1**

### **INTRODUCTION**

#### **1.1. Background**

At rapid growing of this world, Indonesia as a developing country also has been conducting the development of various life sectors. One of them is the economic area. In line with economic growth, commerce and industrial sector is also growing rapidly, so the competition level among companies is become higher everyday.

Nowadays, at this difficult situation of economic crisis every company needs to make a strategy how to run the company to a better situation, so the company can be competitive and running properly. A way should taken in a company in order to increase their competitive level is consider with inventory control system. This research is taken place at PT Sukanda Djaya. This is a distribution channel of PT Diamond Cold Storage at Central Java area. PT Sukanda Djaya providing any kind of daily food and beverage, such as: ice cream, fresh milk, jungle juice, syrups, French fries, nugget, smoked beef, imported beef steak meat, canned meat and fish, canned and frozen vegetables, cheese, and any kind of cake mixture. As a big company, this company also has strategies and many policies in order to keep the customer satisfaction, in order to win the business competition. And that becomes a

problem. When the company wants to get high effectiveness, the customer satisfaction often been sacrificed. But to keep the customer satisfaction, the company must spend extra cost to do that. So, the company must have a middle course how to keep customer satisfaction with minimum cost.

In correlation with the inventory control system, the finished product inventory hold big role, because this point is directly connecting the company to the customer. The finished product inventory will determine the level of customer satisfaction. The optimum number of finished product availability is so important to help the company running properly. Therefore, a company like PT Sukanda Djaya needs to calculate the number of finished product inventory, because if the stock is too much, the holding cost will be high, and the damaged goods risk will increase. However, if the stock is too low, the company will loss the customer satisfaction and it becomes opportunity loss in long term.

This policy becomes a weakness of PT Sukanda Djaya. They prefer to have too much of stock than stock out, so the number of damaged goods is big and its affect the inventory cost. PT Sukanda Djaya lost more than Rp 200,000,000.00 annually in damaged goods. Writer thinks that this number is too big, and the company can reduce the cost by changing the inventory strategy. So, the aim of this research is to proposed a new policy, so the inventory level is optimum (not to much but not too low also).

## **1.2. Problem Statement**

Based on the background, the problem in this research is how to reduce the amount of the damaged goods at PT Sukanda Djaya, so the cost of inventory will be decrease and it will increase the profit.

## **1.3. Research Purpose**

The purpose of this research is:

1. to determine better order quantity of each product item
  2. to determine better reorder point of each product item
- It is to reduce the damaged goods.

## **1.4. Scope of Research**

The research is just elaborating two kinds of product; fresh milk and jungle juice. These two products are taken because they have short expired date, so it's important to calculate the optimum number of stock in order to fulfill the customer demand, but reduce the damaged goods.

## **1.5. Research Methodology**

This research methodology was made using several steps. The steps are:

a. Collecting data.

After company survey was done, writer start collects the data required for the research. The data were collected by:

1. Observation

Writer directly sees how company run their inventory control system (it was done while the writer did the internship at PT Sukanda Djaya)

2. Interview

Writer asks some related question directly to the officer in charged at that company.

b. Data processing steps.

Writer processes the data using some methods.

c. Analyzing steps.

Analyze the output from the previous calculation, if it is valid, then writer start to make the report, but if it is not optimum already, the writer try to process the data with another method(s).

d. Making report.

Make final report of the research.

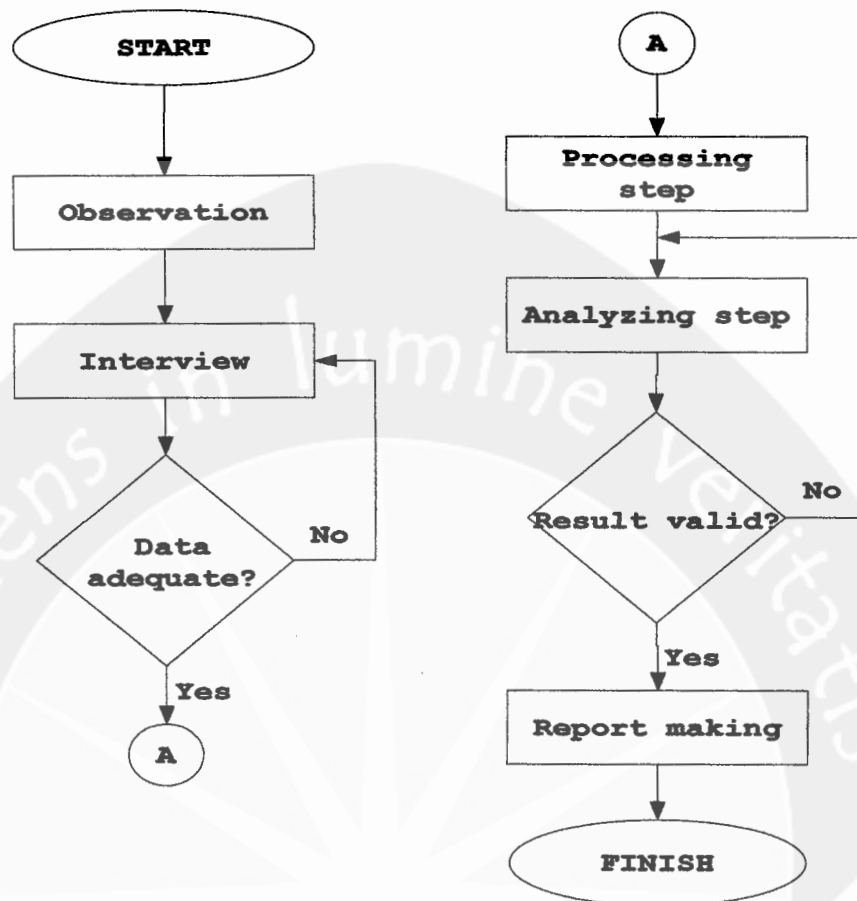


Figure 1.1. Research Methodology Flowchart

### 1.6. Report Outline

The thesis is consisting of 6 chapters:

Chapter 1: Introduction

Introduction is consisting of background, problem statement, research purpose, research methodology, and report outline.

Chapter 2: Literature Review

Literature Review is consisting of short explanation about the former research that

has relationship with inventory control system topic.

**Chapter 3: Basic Theory**

Basic theory is consisting of inventory theories and also the calculation method of simulation.

**Chapter 4: Company Profile and Data**

This chapter is consisting of company profile includes: location, marketing strategy, and the inventory data from the company.

**Chapter 5: Data Analysis**

This chapter will discuss about the research result and the processed data.

**Chapter 6: Conclusion**

This last chapter is consisting of short resume of discussion result that will be connected with the purpose of research.