1. Supply Chain Management

IMPLEMENTING CATEGORY MANAGEMENT AND OPEN TO BUY IN RETAIL X BASED ON TRANSACTION DATA

A THESIS

Submitted as a Partial Fulfillment of Bachelor Degree of Engineering in Industrial Engineering

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INDUSTRIAL ENGINEERING STUDY PROGRAM

FACULTY OF INDUSTRIAL TECHNOLOGY

UNIVERSITAS ATMA JAYA YOGYAKARTA

YOGYAKARTA

2019

IDENTIFICATION PAGE

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I certify that the research entitled "Implementing Category Management and Open-to-Buy in Retail X Based on Transaction Data" in this thesis has not already been submitted for any other degree.

I certify that to the best of my knowledge and belief, this thesis which I wrote does not contain the works of parts of the works of other people, except those cited in the quotations and bibliography, as a scientific paper should. In addition, I certify that I understand and abide the rule stated by the Ministry of Education and Culture of The Republic of Indonesia, subject to the provisions of Peraturan Menteri Pendidikan Nasional Republik Indonesia Nomor 17 Tahun 2010 tentang Pencegahan dan Penanggulangan Plagiat di Perguruan Tinggi.

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PREFACE

All praises are due to God Almighty for His grace and blessing during this report making. In the process of report completion, lots of motivation, support, and guidance were already given by many parties. Deepest gratitude will be addressed to:

1. Jesus Christ for His favor and grace in the report completion process.
2. All family members, papa, mama, and kakak who always give endless support during this undergraduate program.
3. The Dean of Faculty of Industrial Engineering, Dr. A. Teguh Siswantoro for giving the opportunity.
4. Mr. The Jin Ai, S.T., M.T., Dr. Eng. as the Faculty Supervisor and Mrs. Ririn Diar Astanti, S.T., M.MT., Dr. Eng. as the Co-Supervisor. Without their assistance and guidance in every step throughout the process, this paper would never be accomplished.
5. Pondok Emanuel (Hanna, Anas, Diana, Ruth, Yeyes, Shelly, Kiki, Ikuy, Flo) members who always cheer me up and ensure that this report can be finished.
6. Wisnu who always give a hand to help, support and encouragement during these ups and downs report completion process.
7. Beloved friends, Jerika and Paskah, for their support, learning, and time in accompanying this report making.
8. TIKI 2015 members and ALWAYS members for continuous support in this undergraduate program.

The author realizes this research is still far from perfection. The author is amicable for suggestions that boost the motivation for the next research. The author expects that this report will be useful for readers and all parties concerned.

Yogyakarta, 4 July 2019

Sarah Yohana

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ABSTRACT

Retail X is a shop that sells daily necessities such as instant noodles, shampoo, soap and mineral water. It is located in Toraja Utara, South Sulawesi. In this retailer, there are more than 3000 SKUs. Unfortunately, Retail X does not have the proper purchased plan for their item. For example, in each month this retailer buys items randomly and does not consider the best-selling products. This retailer also buys a product which has low level of sales percentage. It can also be said that Retail X spends its capital on goods that are not selling well.

According to the problem, category management and open-to-buy control are necessary. Category management will help the retailer in managing items with its sales percentage and then consider it for next purchased. While open-to-buy control will manage the purchased money in order to not exceed the existing merchandise budgeting and meet with the planned sales.

Based on the calculations performed, shown that the two highest sales contribution is eat and drink category and smoking category. It is supported by the transaction data that the most buy products were Sampoerna and Anker. Grouping products into category management will help the retailer knows that eat and drink needs category and smoking category needs bigger allocation for replenishment. With open-to-buy, Retail X knows that there is also an allocation of money for reduction in each month and bigger allocation for bigger sales contribution.

Keywords: Category management, open-to-buy control, merchandise planning