

CHAPTER 1

INTRODUCTION

1.1 Background

CV Sang Timur is a shop located in Kebumen City, Central Java. To carry out business activities, CV Sang Timur employs 20 workers. The main product of CV Sang Timur is bakery ingredients, but CV Sang Timur also sells other kinds of products such as plastic bags, cardboard for food packaging, and plastic wrap.

Product distribution is the process of distributing company goods. In CV Sang Timur, the process of distributing goods is carried out in two ways. These methods are direct selling and product delivery.

The problem that occurs in companies is that the layout is less effective. The layout creates several problems for the company. These problems are the process of finding goods which takes a long time, the process of picking up goods that is difficult to do and the difficulty of new workers finding items needed by customers.

With a less effective layout, the search for goods takes quite a long time, because the place where the items are placed is uncertain and not neat. The goods stored in the company have their own storage area, but they do not have a definite location. When new items arrive, workers move and arrange items based on the unemployed place. With this condition, workers must find the location of the goods first before calculating the items needed by the customer.

Layout can also lead to problem picking problem. When goods arrive, workers organize goods based on unemployed places. This condition makes it difficult for some items to be retrieved because of access to goods that are difficult to reach. Due to these conditions the process of picking up goods takes longer. As a result, the overall time for preparing the goods increases.

New workers have difficulty finding goods due to the ineffective warehouse layout. The location of goods can change so that new workers have difficulty finding goods that are needed by consumers. By designing a good layout, workers can find the goods faster than before.

These conditions cause the time to prepare goods to increase. Because the time to prepare goods increases and if the demand condition is high it can increase the number of queues at the company.

Because the company has never implemented systematic methods to arrange warehouse layout, some activities are less productive. For example, are product preparation. Without a clear position of goods the process preparing is harder to do, because waitress found difficulty finding goods. To organize the company warehouse, the owner has to implement some suitable method. With a neater and systematic warehouse layout, other activities that are related to the warehouse can be streamlined.

1.2 Problem Formulation

From the information obtained, the company's problem is that the warehouse layout has never been arranged properly. This situation caused several losses to the company. These losses are:

- a. The process of searching for items requested by the customer takes a long time
- b. Difficult picking process
- c. New workers take longer to pick up goods

1.3 Objective

The objectives of this research conducted on CV Sang Timur is to design a warehouse layout arrangement at CV Sang Timur in order to simplify the searching process.

1.4 Scope and Limitation

The scope and limitation in this research is

- a. Most of products don't have minimum quantity order.
- b. Better not translate the name of goods, due to understanding problem.
- c. Cannot substitute goods between areas, due to practice.
- d. There is no changes on number of product type in the warehouse
- e. There is no changes in demand pattern of each product
- f. There are no stacking limits, physical worker decide the high of the stacks.
The goods are stacked without high limits.