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PRODUCTION CAPACITY IMPROVEMENT AT CV X

A THESIS

Submitted in Partial Fulfillment of the Requirement for the Degree of

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IDENTIFICATION PAGE

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DECLARATION OF ORIGINALITY

I certify that the research entitled “Production Capacity Improvement at CV X” 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 or 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 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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DEDICATION PAGE

To mom, dad, and sis,
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The author is fully aware of potential errors in this report. Therefore, the author is open to any advice for better work in the future.

Hopefully, this thesis can be useful for the readers and society.

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The author,

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ABSTRACT

Animal husbandry has become one of the dominant sectors of fulfilling the basic need for nutritious food. In their operations, these industries require animal feed. Seeing this as a business opportunity, CV X has become one of the producers of animal feed, specializing in ruminants feed. However, the stakeholders of CV X still face some problems. The owner states that he receives a low dividend from the company due to the low number of sales. Consequently, the marketing employees complain about the low bonuses that they get because they should receive a bonus for every sold product. Meanwhile, some one-time customers are detected and most of them stop buying from the company due to the expensive products' prices. Since the expensive prices are heavily dependent on inflation and government policies, the customers' concern cannot be solved directly by this research. Nevertheless, the owner hopes that these concerns can be solved without charging the company additional costs.

Based on the problem, waste identification using Value Stream Mapping (VSM) is chosen to later eliminate the wastes detected in the company's production process. Less waste will result in higher production capacity and quantity, so there will be more products available to be sold and operating costs will be lower. Combined with the upcoming marketing strategy the company has planned for the near future, increasing production capacity will greatly help the company.

From the VSM, it is concluded that the grinding department is the bottleneck of the process and has a lot of waste, namely waiting. Moreover, there are two non-operating machines due to the shortage of staff caused by the change of the facility layout in 2022. To solve this issue, a reallocation of the workers' workload in the grinding department is done, so the same number of staff can handle more machines. This research finds that by identifying the waste using VSM and eliminating it by reducing the waiting waste and workers' workload redistribution, the production capacity increases by 33.33%. This implies that the implementation of waste identification and elimination has successfully attained the research objective and solved the solvable stakeholders' concerns.

Keywords: Waste identification, waste elimination, value stream mapping, production capacity, animal feed production