REDUCING THE LEAD TIME OF MISUMI'S STANDARD PARTS PROCUREMENT PROCESS USING THE BUSINESS PROCESS IMPROVEMENT (BPI) METHOD AT PT DHARMA PRECISION TOOLS

UNDERGRADUATE FINAL PROJECT

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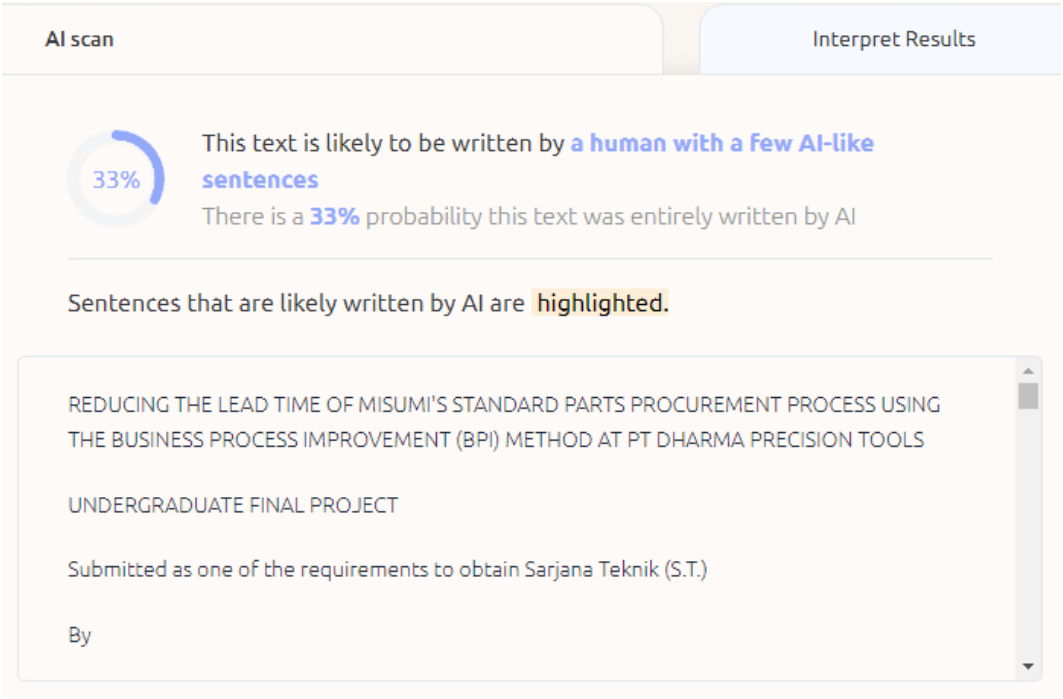
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ABSTRACT

In the purchasing department, there are several key performance indicators. One factor that affects the performance of the purchasing department is the timeliness of supplier deliveries. In the process of procuring standard parts, it takes time to complete it according to the specified deadline. However, the problem faced by PT Dharma Precision Tool related to procurement, especially the Misumi brand so far, is the delay in the procurement process of standard parts caused by several factors, including the engineering department, which still processes manually, the PPIC department, which makes purchase requests consisting of several different brands, and the purchasing department, which waits for quotations using email. Therefore, the initial lead time in the Misumi standard parts procurement process was 2347 minutes. This time shows a relatively long process and has the potential to experience delays in the production process. The Business Process Improvement (BPI) method is used to help solve problems in the business processes that occur. Then, after applying the BPI method and improving the daily production report (LHP) system, the time required to carry out the procurement process for Misumi standard parts was reduced to 168 minutes.

Keywords: Business Process Improvement, Lead Time, LHP System, Misumi, Procurement, Standard Part

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