SUMMARY

ARTADI NUGRAHA. Efficiency of Raw Material Inventory to Improve The Supply Chain Performance at CV. Fiva Food. Supervised by SUKARDI and AMZUL RIFIN.

The production and the number of processed food industry are slightly increased, so it can cause the companies competing to maximize their profits by doing efficiency in the production process. Meat processing industry is one of the subsectors of the food industry that has increased competition in terms of both quality and quantity. The increase was due to growth of meat consumption in Indonesia. CV. Fiva Food is one of the companies in the field of processed foods, especially in processed meat that has implemented supply chain management. It’s necessary for the company to take measurements of the performance and efficiency for the entire supply chain that can assist companies in evaluating the performance of the company in the supply chain to achieve the target.

Supply chain management performance is determined by several factors, such as inventory, transportation, facilities and information. Total cost of inventory is determined based on the cost of ordering and saving costs. The data shown in one of the main raw material in the CV. Fiva Food namely mechanical debone meat (MDM) shows that the number of orders in a year made by the company pretty much as many as 68 times order. In addition, the average amount of storage the rest of the production process is also quite a lot of 3.5 tons. Excessive inventory values can cause excessive spending on the company thus reducing the company's profit, while the lack of inventory can have an impact on the inhibition of the production process, reducing the risk of losing sales performance to consumers and customers.

The purpose of this study to analyze the performance of the company's supply chain and determine the most efficient method of procurement for raw materials for the company as well as provide recommendations for companies to improve the performance of entire supply chain. This study used SCOR in analyzing the performance of supply chain and it used EOQ and POQ method to determine the optimal method of procurement for raw materials compared with a the method that the company use to determine which method are the most efficient.

The result showed that the company's performance is measured based on performance reliability, responsiveness and flexibility is good enough, but for the performance of the company's assets such as inventory days of supply still needed improvement because it was unfavorable when it compared with benchmark data. The optimal order quantity of MDM materials used EOQ method is 9.25 tons with the number of order is 18 times in a year, whereas the optimal order quantity of FQ85CL material is 1.12 tons with the number of order is 71 times in a year. This study showed that the POQ method produces the lowest total inventory cost with savings of Rp 6,647,015 for MDM. Whereas, EOQ method produced the lowest total inventory cost with savings of Rp 222,153.78 for FQ85CL.
The addition of storage capacity of raw materials needed if the companies want to implement the optimum order quantity method. In addition, if the company can not added storage capacity of raw materials, it can be applied method of EOQ and POQ adjusted with storage capacity of raw materials companies. The utilization of logistics services company as well as local communities to make deliveries of products can also be done by the company to reduce the ordering cost.

Keywords: EOQ, Inventory, Performance Supply Chain, POQ, SCOR.