ABSTRACT

Analysis of Wheat Inventory
to Improve The Supply Chain Performance
in PT. ISM Bogasari Flour Mills., Jakarta

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Supply chain management is a key strategic factor for increasing organizational effectiveness and for better realization of competitiveness by achieving a stronger competitive advantage. This happens in every industry, including flour industry. The condition therefore has led every company to arrange its competitive and supply chain strategy to strategic fit condition.

The objectives of this study were to identification strategy of supply chain in PT. ISM Bogasari Flour Mills, to analyze performance of wheat purchasing management in PT. ISM Bogasari Flour Mills, and to analyze effectiveness and efficiency of wheat inventory management in PT. ISM Bogasari Flour Mills. The tools for the analysis that had been used in this study were Supply Chain Selection Model with Product Driven Approach (Huang et al., 2002), Economic Order Quantity (EOQ) Model, Safety Inventory Model with Level of Service Approach, and Turn Over Ratio (TOR).

Based on the Supply Chain Selection Model with Product Driven Approach, PT. ISM Bogasari Flour Mills should use the Hybrid supply chain strategy. Based on the EOQ analysis, inventory management that has been done in Bogasari can be improved. The EOQ method can degrade the ordering and depository cost from Rp. 302.249.067.259,- to Rp. 291.194.717.853,-. Based on the safety inventory analysis, the safety stock can be given responsibility or service level is 86%. Based on Turn Over Ratio (TOR), TOR can be given efficiency of wheat inventory management is 90%.