

SUMMARY

IFRI HANDI LUBIS. Performance Improvement Strategy of Supply Chain Management at PT Perkebunan Nusantara V (Site: Sei Galuh Palm Oil Factory). Supervised by TAUFIK DJATNA and TANTI NOVIANTI.

Palm oil is Indonesia's leading agricultural commodity which is currently faced with competition from CPO producers from other countries. In addition, increasingly fierce competition also occurs between domestic oil palm companies. The current competition is focused on competition between supply chain management. This is because managing supply chain is not easy, it can be understood that supply chain involves many parties within a company and handle a very wide and very complex work.

PT Perkebunan Nusantara V (PTPN-V) is a state owned company that engaged in palm oil plantation and processing. The processing start from palm oil fresh fruit bunches into crude palm oil (CPO) and palm kernel (palm kernel) . One of processing units in PTPN-V is Sei Galuh Palm Oil Plant (PKS SGH) with an installed machine capacity as big as 50 tons of FFB/h. However, in the past 5 years the plant has the lowest performance compared to 12 other factories. Therefore, the purpose of this research is to analyze the supply chain performance of PKS SGH and to formulate performance improvement strategy of supply chain management at the PKS SGH. Methods in determining the respondents in this study is purposive sampling and strategy formulation with FGD method through SCOR-AHP approach.

There are three existing supply chain structure in the PKS SGH to distribute the product to the customer. In line with the structure, the type of supply chain distribution in PKS SGH were *manufacturer storage with direct shipping and in-transit merge*, which could minimize the cost of inventory. The result shows that PKS SGH were better to run *lean supply chain type*, because the output was a functional product. So, the strategy applied was should low cost strategy (efficient), that was by emphasizing the efficiency of production costs with maximum utilization to keep production continuous and to meet the demand. The result of performance measurements obtained matrix order fulfillment, quality conformity, processing cycle time, and employee costs is “good”. Then, matrix order fulfillment time, flexibility of capacity increase and *cash to cash cycle* is “average”; while matrix supply flexibility and cost of processing were obtained “poor” results. Based on the assessment of supply chain performance matrices with SCOR approach, it is obtained that the attribute reliability becomes a prioritized performance attribute. The main objective to be achieved by the SGH PKS in improving supply chain performance is to increase the productivity of machinery and equipment. This goal will encourage improved reliability performance. By increasing the productivity of machinery and equipment expected to fulfill the order and conformity of production quality in accordance with Company Budget Work Plan. This main goal can be achieved by implementing an integrated machine and equipment repair planning strategy.

Keywords: AHP, crude palm oil (CPO), SCOR, supply chain