

**IMPLEMENTING COST CONTROL AND COST REDUCTION STRATEGY FOR
MAXIMIZE PROFITABILITY TO ACHIEVE ORGANIZATIONAL
PERFORMANCE
(CASE STUDY : PT XYZ)**

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STATEMENT BY THE AUTHOR

I hereby declare that this submission is my own work and to the best of my knowledge, it contains no material previously published or written by another person, nor material which to a substantial extent has been accepted for the award of any other degree or diploma at any educational institution, except where due acknowledgement is made in the thesis.

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ABSTRACT

IMPLEMENTING COST CONTROL AND COST REDUCTION STRATEGY FOR MAXIMIZE PROFITABILITY TO ACHIEVE ORGANIZATIONONAL PERFORMANCE (CASE STUDY : AT PT XYZ)

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Profitability is the key to a company's success, which affects company performance and company management. PT XYZ, a heavy equipment distributor and after-sales service provider in Tanah Bumbu, has low profitability performance until May 2023. The low profitability of the company is caused by several factors such as low profit of spare parts, low profit of services, high operational costs, and high working capital, especially inventory. This study used Critical to Quality (CTQ), Quality Function, Performance Driver Tree (PDT), and Focus Group Discussion (FGD) to identify the main causes. The company also used the DMAIC framework, Pareto Analysis, 5W1H, and Cost Driver Analysis to identify the main causes and design an improvement plan. By controlling costs and reducing costs, PT XYZ can increase revenue by 4%, part profit by 7%, reduce opex costs by 3% and reduce inventory by 17% so that profitability increases by 2% and organizational performance also becomes better. So that by doing cost control and cost reduction PT XYZ can increase its profitability.

Keywords: *Critical to Quality (CTQ), Focus Group Discussion (FGD), Performance Driver Tree (PDT), Define Measure Analysis Improve Control (DMAIC), Pareto Analysis,*

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DEDICATION

I dedicate my work to my beloved family, especially my wife and son, Sofhia Rakhny and Alfa Setiawijaya Senoaji, who have provided unquestionable support and encouragement. I also thank the institution where I work for having facilitated my growth and progress so far.

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