

CHAPTER 5 – CONCLUSION AND RECOMMENDATIONS

5.1 Conclusion

This thesis addressed the research problem: “PT XYZ is struggling to achieve a high achievement for spare parts sales”. Analysis confirmed that the improvement of customer service level that measured by OTIF rates through develop new support point can boosting spare parts sales at PT XYZ. Based on the conducted research through qualitative and quantitative research, it was concluded that:

5.1.1 Research Question (RQ) 1

RQ1 : What are some potential solutions for improving sales by increasing OTIF rates at PT XYZ Medan Branch?

Customer service level measured by OTIF rates is the primary determining buying factor for gold mining customers at the Martabe Site because the speed and accuracy of supply parts can reduce the unit's breakdown time and increase the unit's productivity. When genuine parts are ready, customers prioritize buying a genuine product even though the price is higher than in a Local Shop. So, PT XYZ Medan Branch must maintain the customer service level at the Martabe site to get the customers' trust and repeat orders to boost sales at PT XYZ Medan Branch.

5.1.2 Research Question (RQ) 2

RQ2 : How to improve OTIF rates at PT XYZ Medan Branch?

PT XYZ Medan Branch have a low achievement for customer service level measured by OTIF rates due to two factors: (1) lack of inventory control, which impacts lack of available parts and makes it not In-Full; (2) long-distance delivery parts (367 km) from Medan to Martabe Site because there is no supporting point at the Martabe Site which is impact to delivery time and make in not On-Time. So, improvement for this research is to build a new support point based on effective demand forecasting and supply chain distribution to guarantee the availability of parts (In-Full) and On-Time delivery.

5.1.3 Research Question (RQ) 3

RQ3 : How does improvement of availability parts impact to OTIF rates at PT XYZ Medan Branch?

Due to parts being guaranteed to be accessible (in-full) and to minimize delayed delivery times (on-time), the new support station at the Martabe plant has already enhanced part availability by 19% and OTIF rates by 8%. Then, a notable 74% rise in sales at the Martabe Site (contributed to the growth of sales in the Medan area by 44%) was attributed to the increase in OTIF rates. Therefore, increasing part availability and lead time delivery in accordance with OTIF rates will significantly increase sales.

5.2 Recommendations

The following recommendations are required to ensure and enhance the performance of PT XYZ:

1. Further research about digital platforms and artificial intelligence is needed to enhance demand forecasting and get more accurate stock at PT XYZ.
2. Further research about digital platforms and artificial intelligence to generate opportunities for customers' demand to boost sales at PT XYZ is also essential.

GLOSSARY

OTIF	: On-Time In-Full
LIB	: List Item Backup
MM	: Month Movement
RMM	: Rank Month Movement
RMM IW	: Rank Month Movement Indonesian Wild
SL	: Stock Level
MNG	: Gold Mining
AGR	: Agrobusiness
CON	: Construction
IDT	: Industrial
IRR	: Internal Rate of Return (IRR)

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