

DIGITALIZATION AND INTEGRATION SYSTEM TO REDUCE LEADTIME
RECONSOLE PROCESS DURING SPARE PARTS VENDOR HELD STOCK
(VHS) TRANSACTION TO ACHIEVE EFFECTIVE WORKING CAPITAL

By

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22352016

MASTER'S DEGREE
in

MECHANICAL ENGINEERING MANAGEMENT
FACULTY OF ENGINEERING AND INFORMATION OF TECHNOLOGY



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July 2024

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

DIGITALIZATION AND INTEGRATION SYSTEM TO REDUCE LEADTIME RECONCILE PROCESS DURING SPARE PARTS VENDOR HELD STOCK (VHS) TRANSACTION TO ACHIEVE EFFECTIVE WORKING CAPITAL

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The research focuses on improving the efficiency of the VHS reconciliation process at PT ABC, a heavy equipment distributor, and PT XYZ, a mining contractor. The goal is to reduce the lead time for VHS reconciliation to 8-14 days, optimizing working capital. Methodology includes root cause and gap analysis, DMAIC tools, and five why diagrams and Value Stream Mapping tool to identify and address delays. The study emphasizes the importance of digitalization and system integration. Before implementation, the aging of Good Issue Pending (GIP) inventory varied significantly, impacting working capital. Post-implementation, there was a notable reduction in GIP inventory aging beyond 31 days, indicating successful system integration and streamlined operations. Performances varies across regions, with some maintaining high-quality rates and others fluctuating. The integration system effectively improved VHS reconciliation quality and reduced GIP inventory aging, leading to better working capital management. In conclusion, digitalization and system integration significantly improved the VHS reconciliation process, optimizing PT ABC's working capital. Further research is recommended to explore performance fluctuations and ensure sustainability of improvements.

Keywords: VHS Reconcile, Inventory Good issue Pending, Aging inventory.

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DEDICATION

Dedicated for my beloved Nanda, Nayla, Mayra, and Fakhri

ACKNOWLEDGEMENTS

I wish to thank the members of my committee for their support, patience and good humor. Their gentle but firm direction has been most appreciated. Dr. Ir. Gembong Baskoro, M.Sc., IPU, ASEAN Eng, APEC Eng, as my Advisor and Assoc. Prof. Dr. Ir. Henry Nasution, S.T., M.T., IPP, as my Co-Advisor was particularly helpful in guiding me toward a qualitative methodology. Their interest in sense of competence was the impetus for my proposal. Finally, I would like to thank my beloved family that had confidence in my abilities to not only complete the study but also to supporting completely excellence

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