ABSTRACT

Flexibility is considered to be an important factor that would lead company to a success in winning the market competition. The flexibility related to machine, process, routing, part, worker, and the like are all associated with a manufacturing or a production system. With the advent of the supply chain management concepts, business communities have been realizing that being flexible in a production system only is insufficient. Thus, flexibility concepts should be broadened from the perspective of a production system into a supply chain system.

The importance of flexibility is given more emphasis in recent years, it is then imperative for each company to improve its supply chain flexibility. Four main parts of flexibility are identified including flexibility of the sourcing, product development, production, and delivery.

As a company that deals with a lot of demand uncertainty, P.T Philips Ralin Electronics Surabaya needs to do an assessment on its flexibility supply chain system, so that Philips can determine the current level of flexibility that it has. The results are given to provide the management with useful informations that supply system is the function that have to be prioritized to be improved. This study is also give some improving recommendations that can be used for the company to improve its supply chain flexibility.

Keywords: supply chain flexibility, flexibility assessment, flexibility dimensions.