PRODUCTION FLOOR PERFORMANCE IMPROVEMENT BY LEAN MANUFACTURING APPROACH

(CASE STUDY : PT. LOKA REFRACTORIES)

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ABSTRACT

Nowadays, in industrial business, a company should to increase product quality and increase a company competitive advantage. To reach those goals, a company should do a continuous improvement all the time. The most important aspect to be increased is a production aspect. Besides that, the competition between companies become more challenging due to implementation of free trade regulation and product life cycle that become shorter day by day. Moreover, in this era, the customer expectation about product quality is higher than past. One of the companies that should do some improvement is PT Loka Refractories. PT Loka Refractories is a company that produces a refractories product. In this company, production process lead time is quite long because of non-value added activity. Non value added activity causes waste such as defect on burning process, waiting that caused by broke of machine, excess process that caused by rework process, overproduction and high number of inventory. To eliminate non value added activity, this research uses Lean manufacturing concept to identify activities that cannot give value added for product. Non value added activity in PT Loka Refractories happened on raw material preparation process, forming process and burning process. There are three critical waste that should be improved, defect, waiting and inventory. After identify the waste, this research identify the root cause from it. The last step is suggesting the improvement step for company. The chosen improvement step that suggested by this research is: Give some training to PPC and QC staff with expectation to fix and improve the company performance and additional maintenance division to do the treatment and repair of machines.

Key Word : Lean Manufacturing, Non Value Added Activity, Waste