

# CHAPTER 1.

## INTRODUCTION

### 1.1 Background

PT. MULTI KENCANA NIAGATAMA, a cable manufacturer company founded in 1997 which located in Nyompok village, Kopo district, Serang – Banten, Indonesia. The PT. MULTI KENCANA NIAGATAMA plant is 9084 square meter wide in 3376 square meter land.

In present, products manufactured by PT. MULTI KENCANA NIAGATAMA are low volt electric cables and raw cable materials. PT. MULTI KENCANA NIAGATAMA is also a member of Indonesia Chamber of Commerce and Industry, so-called KADIN (Kamar Dagang Industri). All structure and production machine including test laboratory facilities that used to give products' quality and specification that meet customers' needs.

In 2001 until now, PT. MULTI KENCANA NIAGATAMA achieves ISO 9001 – 2001 for its standard business management. This award encourages PT. MULTI KENCANA NIAGATAMA to give better products and services to its clients in the future. To achieve that goal, Hengky Burhanudin, B.Bus as the director of PT. MULTI KENCANA NIAGATAMA decided improve the business management he created, by transform the system to a computerized automated system enable user to print and archive the business documents. However, the main goal is to increase productivity and efficiency in Production Planning and Inventory Control system by lessens human errors, and also saving process time

and cost. This new system also help user to keep track on inventory usage and availability, also production cost calculation in planning.

## **1.2 Scope**

The scope of this thesis will cover:

1. Production Planning and Inventory Control system that is a networked web based application that can be accessed based on the role of each user. Each user will only can access what they can accord their privileges. This system built to cover the errors occurred in the old system which conducted manually. However, it can provide time and cost efficiency for every process in the system.
2. This system will also provide user to print and archives important documents for further purpose, such as daily inventory report to keep track where the inventory goes everyday. This system also provide user authorization and tracking that will help Hengky Burhanudin, B.Bus as the director of PT. MULTI KENCANA NIAGATAMA to see his workers' work performance as a work evaluation base.

## **1.3 Aims and Benefits**

Aims of this finance and budgeting system are:

1. To develop a system so that PT. MULTI KENCANA NIAGATAMA can automate its business management in Production Planning and Inventory Control system. So that the processes itself can increase time and cost efficiency in the system.
2. To ease human errors such as wrong calculation or wrong information in certain process, since the well designed existing system should in right order.
3. This system can also be the data warehouse system in data storing and archives for further company's purpose.

The Benefits that can be gained from this system are:

1. It increases the productivity and efficiency in the whole process of the system.
2. It can prevent the risk of miscalculation especially in production planning.
3. It stores data and archives important documents for further use.
4. Systematical coding for each action to structure the whole process.

## **1.4 Structures**

According to the standards this thesis will consists seven chapters where each chapter will be divided into a few subchapter, which includes:

1. **CHAPTER I INTRODUCTION**  
In this first chapter, all the general contexts of the problem are discussed. It will cover the problem identification and the background of why we need the system, the scope of the problem such as the constraint and limitation that are need to fulfill in order to ensure the system to work properly, aims and benefits of the system, and the writing structures of this thesis.
2. **CHAPTER II THEORITICAL FOUNDATION**  
This chapter will cover the theoretical issues as the base foundation of the system development and also which framework used to design the system.
3. **CHAPTER III PROBLEM ANALYSIS**  
This chapter will cover the system analysis and design for the right system that meet user's requirements and specifications, also including the analysis of the existing system.
4. **CHAPTER IV PRODUCTION PLANNING AND INVENTORY CONTROL SYSTEM DESIGN**  
This chapter will cover proposed design as the solution of the problem. The design tools used is Unified Modeling Language (UML)
5. **CHAPTER V PRODUCTION PLANNING AND INVENTORY CONTROL SYSTEM IMPLEMENTATION**  
This chapter will cover the development and implementation of the solution proposed in previous chapter. It also included the system testing phase.
6. **CHAPTER VI DISCUSSION**  
This chapter will cover the evaluation discussion over the system and result.
7. **CHAPTER VII CONCLUSION AND RECOMMENDATION**  
This last chapter consists the conclusion from what is done in the development and design as the problem solution. It also included a recommendation to improve our system.