

BUSINESS PROCESS REENGINEERING TO EXCELLENCE WAREHOUSE MANAGEMENT SYSTEM: A CASE STUDY OF RETAIL INDUSTRY

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Abstract

The warehouse and its inventory are assets owned by the company that should be managed to maximize its efficiency and profitability. One of the common problems in warehouses is the occurrence of inaccuracies in inventory records. Inaccuracies in inventory records can be happened because of internal or external factors such as theft, damage to goods, unintentional errors during inventory transactions, or improper placement of goods. This thesis studies the main issues that arise in a company in the retail industry, namely the difference between the inventory record and the actual physical inventory that consistently exceeds the limit set by the company. If the company fails to rectify this issue immediately, it will continuously suffer losses that reduce its profits. From this case study, business process re-engineering will be carried out by using traceability technology for the warehouse management system in supporting the recording of the movement of goods. Standard operating procedures for the warehouse will also be developed and used as a guide in implementing the system. This study uses qualitative data from a semi-structured interview with the management team and observation. The data were analyzed with gap analysis and cause mapping. This study provides insight into a re-engineered business process that will be implemented to reduce stock inaccuracy in the warehouse of the retail industry.

Keywords: Business Process Reengineering, Warehouse Management System, Retail Industry, Stock Inaccuracies.
