

**BUSINESS PROCESS IMPROVEMENT FOR DISTRIBUTION WITH MIPI  
METHODOLOGY  
(CASE STUDY PT. INDOTIRTA JAYA ABADI & GROUP)**

By

Marlon Ives Tanuihusada  
11212099

BACHELOR'S DEGREE  
in

INDUSTRIAL ENGINEERING  
FACULTY OF ENGINEERING AND INFORMATION TECHNOLOGY



SWISS GERMAN UNIVERSITY  
EduTown BSD City  
Tangerang 15339  
Indonesia

August 2016

**Revision after the Thesis Defense on 19 July 2016**

## 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.

Marlon Ives Tanuihusada

Student

Date

Approved by:

Ir. Paulus GL Sarwanawadya, MBA.

Thesis Advisor

Date

Ir. Invanos Tertiana, MBA.

Thesis Co-Advisor

Date

Dr. Ir. Gembong Baskoro, M.Sc.

Dean

Date

Marlon Ives Tanuihusada

## ABSTRACT

BUSINESS PROCESS IMPROVEMENT FOR DISTRIBUTION WITH  
MIPI METHODOLOGY (CASE STUDY: PT. INDOTIRTA JAYA ABADI &  
GROUP)

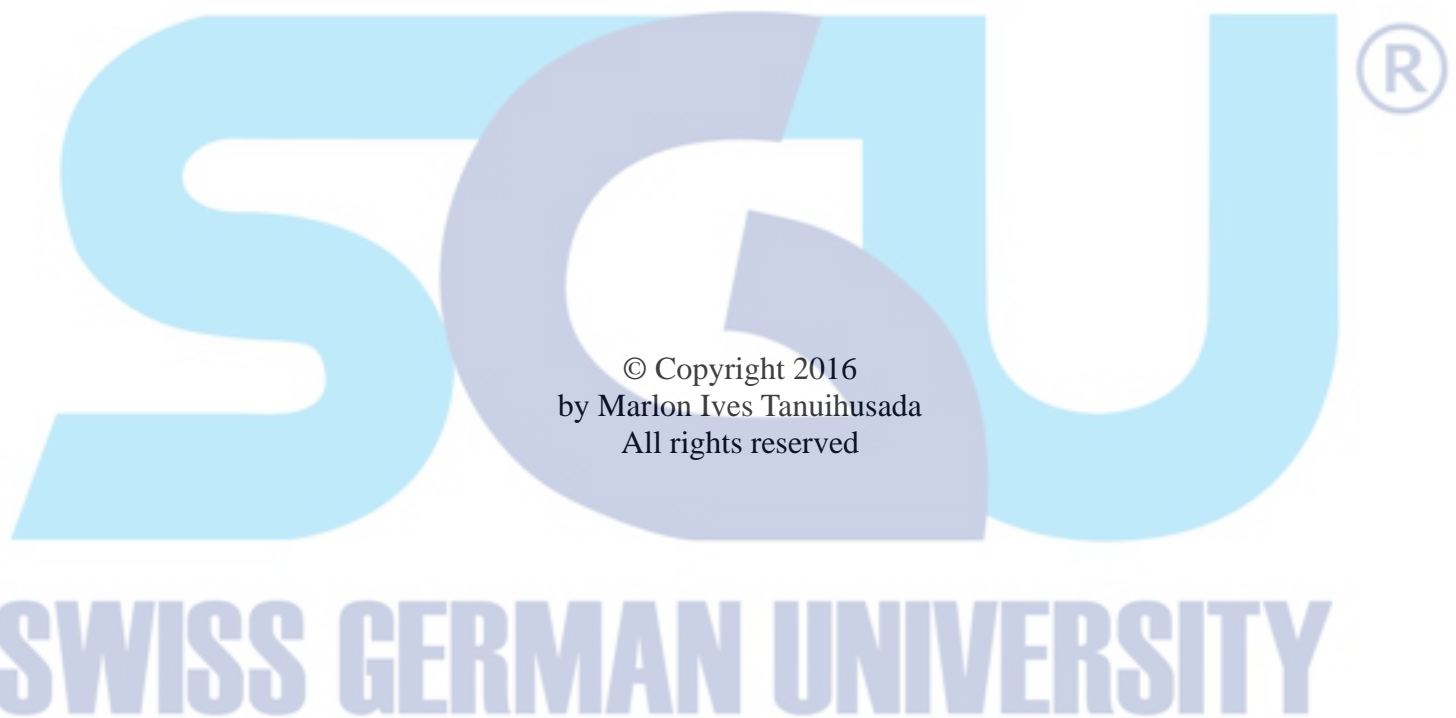
By

Marlon Ives Tanuihusada  
Ir. Paulus GL Sarwanawadya, MBA., Advisor  
Ir. Invanos Tertiana, MBA., Co-Advisor

SWISS GERMAN UNIVERSITY

Bottled drinking water manufacturing industry is an industry that manufactures product that is considered a commodity. Thus it is expected to have an ever-growing market. The competitive scene in the market requires the manufacturers to broaden their market coverage in distribution scheme. In distribution management, market coverage should be improved together with the market penetration along with the branding of the product. Those underlying requirement of the industry lead this thesis project which is trying to propose a solution for PT. Indotirta Jaya Abadi along with its group companies which contains the improvement in distribution channel and coverage development along with the process flow development for the designed distribution channel through MIPI (Model-Based and Integrated Process Improvement) methodology. This thesis project emphasizes the distribution process in a bigger picture as in the channel infrastructure, and distribution coverage rather than the process flow which is closely related to the administrative section of the business without abandoning the process flow itself.

*Keywords: Drinking Water Industry, Commodity, Distribution Channel, Distribution Management, Market Coverage, Market Penetration, Process Flow, MIPI.*



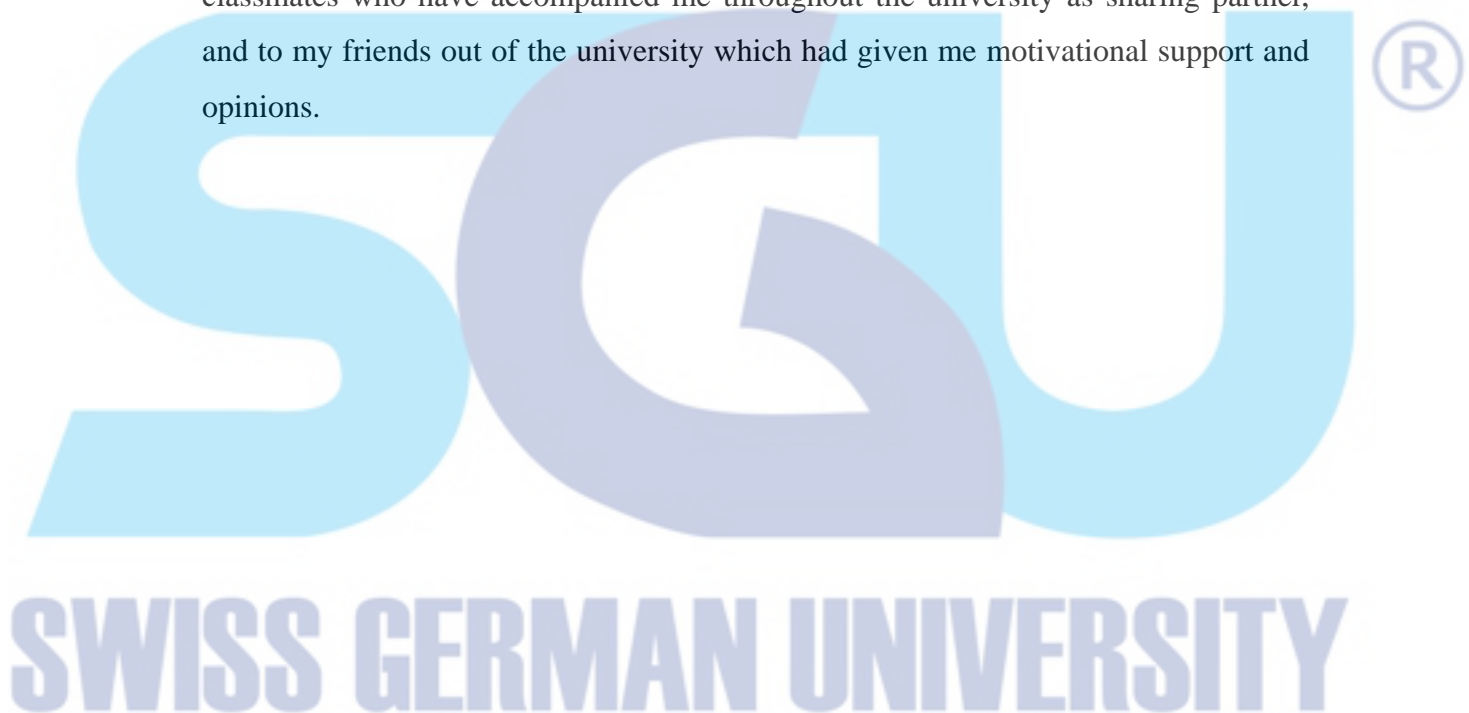
## **DEDICATION**

I dedicate this document to myself, my parents, my advisors, my friends, and the company which had agreed to be the study case object.



## ACKNOWLEDGEMENTS

I am thankful for the support of my parents throughout my life until this point, including my university time, for the education given by the lecturers, especially my advisors' help in completing this document. To the company which had agreed to be the case study object along with the staffs related. To my Industrial Engineering classmates who have accompanied me throughout the university as sharing partner, and to my friends out of the university which had given me motivational support and opinions.



## Table of Contents

DEDICATION .....	5
LIST OF FIGURES .....	10
LIST OF TABLES .....	11
CHAPTER 1 – INTRODUCTION .....	12
1.1. Background .....	12
1.2. Research Problem.....	13
1.3. Research Objectives .....	13
1.4. Research Scope and Limitation.....	13
1.5. Significance of Study .....	13
1.6. Expected Result.....	14
CHAPTER 2 - LITERATURE REVIEW .....	15
2.1. Business Process Improvement.....	17
2.2. MIPI Methodology.....	18
2.3. Distribution Channel.....	19
2.4. Intensive Distribution.....	20
2.4.1. Advantages of Intensive Distribution.....	21
2.4.2. Disadvantages of Intensive Distribution.....	21
2.5. Toll and Contract Manufacturing.....	22
2.6. SCRS Business Analysis.....	22
2.7. Verification and Validation.....	23
CHAPTER 3 – METHODOLOGY .....	24
3.1. Project Flowchart.....	24
3.2. Problem Discussion and Approach .....	26
3.2.1. Problem Discussion .....	26
3.2.2. Literature Reviewing .....	26
3.2.3. Interview and Data Collection .....	26

3.3. Solution Forming .....	27
3.3.1. Understanding the Business Needs .....	27
3.3.2. Understanding the Process .....	27
3.3.3. Model and Analyze Process .....	28
3.3.4. Redesign process.....	28
3.4. Implementation .....	29
3.4.1. Implement new Process .....	29
3.4.2. Assess new Process .....	29
3.4.3. Review new Process .....	29
CHAPTER 4 – RESULTS AND DISCUSSIONS .....	30
4.1. Problem Discussion and Approach .....	30
4.1.1. Problem Discussion .....	30
4.1.2. Literature Reviewing .....	31
4.1.3. Interview and Data Collection .....	32
4.2. Solution Forming .....	32
4.2.1. Understanding the Business Needs.....	32
4.2.2. Understanding the Process .....	33
4.2.3. Model and Analyze the Process .....	35
4.2.4. Redesign Process .....	37
4.2.4.1. Distribution Channel Development .....	37
4.2.4.2. Distribution Coverage Development .....	38
CHAPTER 5 – CONCLUSION AND RECOMMENDATIONS .....	39
5.1. Conclusion .....	39
5.2. Recommendations.....	39
5.2.1. Distribution Channel.....	40
5.2.2. Distribution Coverage Mapping .....	40
References.....	41



---

Appendices.....	43
Attachment A: SCRS Business Analysis .....	44
Attachment B: Distribution Process Description.....	57
Attachment C: Distribution Process Verification, Validation, and Analysis.....	66
Attachment D: Distribution Process Redesigning .....	75
Contact Reports.....	83
Curriculum Vitae.....	85

