# WASTE ELIMINATION BY USING VALUE STREAM MAPPING WITH SIMULATION: A CASE STUDY IN A PLASTIC FIRM

By Shin Fukuyama 11307024

BACHELOR'S DEGREE in

DEPARTMENT OF INDUSTRIAL ENGINEERING
FACULTY OF ENGINEERING AND INFORMATION TECHNOLOGY

# SWISS GERISS UNIVERSITY

SWISS GERMAN UNIVERSITY
The Prominence Tower
Jalan Jalur Sutera Barat No.15, Alam Sutera
Tangerang, Banten 15143 - Indonesia

Revision after the Thesis Defense on 18 July 2017

# 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.

Student	Date
Approved by:	
Dr. Eng. Sumarsono, ST, MT	
Thesis Advisor	Date
Dr. Tanika D. Sofianti, ST, MT	
Thesis Co-Advisor	Date
Dr. Ir. Gembong Baskoro, M.Sc.	
Dean	Date

### ABSTRACT

# WASTE ELIMINATION BY USING VALUE STREAM MAPPING WITH SIMULATION: A CASE STUDY IN A PLASTIC FIRM

By

Shin Fukuyama
Dr. Eng. Sumarsono, ST, MT, Advisor
Dr. Tanika D. Sofianti, ST, MT, Co-Advisor

## **SWISS GERMAN UNIVERSITY**

One way or another, in a competitive environment like these days, a company must be able to adapt toward changes. As one of the most known concepts, lean has gained great awareness not just in manufacturing field but also in the service business. Toyota Production System (TPS) also known as Lean defined VSM as the blueprint of lean improvements in a system. The creation of current state map aims to highlight the current condition, while the future state map aims to give the picture of improvement using lean tools. However, the decision to make such changes need more justification and information if the improvement will function accordingly. This is where a simulation model takes place. The integration from a static result of VSM maps to a dynamic result of VSM models in the simulation could support the decision making in a planning phase. This study takes place on the manufacturing floor of a plastic injection moulding company. The development of VSM has highlighted the main waste in the current state map and elimination of waste in the future state map. Furthermore, simulation models of both maps were constructed to justify the best possible improvements for eliminating the waste.

Keywords: Current State Map, Future State Map, Lean, Simulation, Value Stream Mapping, Waste



# **DEDICATION**

I dedicate this thesis to my beloved parents, beloved brothers, beloved sister, beloved friends, and for those fellow engineers who seek a problem to solve while enduring the cold yet warm night of laughter and struggle together.



### ACKNOWLEDGEMENTS

First of all the author wishes to express gratitude to God for the opportunity and never ending blessings in the process of completing this research.

The author also owes profound gratitude to Dr. Eng. Sumarsono, ST, MT and Dr. Tanika D. Sofianti, ST, MT as the advisor and co-advisor of this research. Through their endless motivation, guidance and help have made this thesis possible.

The author would also like to say greatest thank you to my beloved friend Yesaya Yansen and family for giving me an opportunity to do the research in PT. XYZ and for the never endless of help in the process of finishing this research.

Furthermore, this four years journey would not be this memorable without the presence of my classmates of Industrial Engineering batch 2013. I would like to express my gratitude to my fellow engineer's classmate for the struggle and joy that we shared together.

Most importantly, none of this would be possible without the love, patience, and endless support from my family. Sincerely, I would like to thank my father, Yuji Fukuyama and my mother, Kartini I.E Supit for believing that their son can come this far.

Lastly, the author would like to give thank to one special woman, Shella Florence, for the patience and support in the process of completing this thesis.

# TABLE OF CONTENTS

ABSTRACT	STATEMENT BY THE AUTHOR	2				
ACKNOWLEDGEMENTS 6 TABLE OF CONTENTS 7 LIST OF FIGURES 11 LIST OF TABLES 13 CHAPTER 1 – INTRODUCTION 14 1.1 Background 14 1.2 Thesis Purpose 15 1.3 Thesis Scope and Limitation 15 1.4 General Statements of Problem Area 16 1.5 Research Problem 16 1.6 Assumption 16 1.7 Thesis Structure 16 CHAPTER 2 - LITERATURE REVIEW 18 2.1 Lean 18 2.1.1 Brief History of Lean 18 2.1.2 Principles of Lean 19 2.1.3 The Goal of Lean 21 2.1.4 Muda or Waste 21 2.1.5 Lean Tools 22 2.2 Value Stream Mapping 23 2.2.1 Brief History of VSM 23 2.2.2 Simple and Essential Tool 24 2.2.3 Application of VSM 25 2.2.4 Crucial Things Showed Through VSM 26 2.2.5 Symbols of VSM 27 2.2.6.1 Product Family Selection 29 2.2.6.2 Current State Drawing 29 2.2.6.2 Current State Drawing 29 2.2.6.2 Current State Drawing 29	ABSTRACT3					
TABLE OF CONTENTS       7         LIST OF FIGURES       11         LIST OF TABLES       13         CHAPTER 1 – INTRODUCTION       14         1.1 Background       14         1.2 Thesis Purpose       15         1.3 Thesis Scope and Limitation       15         1.4 General Statements of Problem Area       16         1.5 Research Problem       16         1.6 Assumption       16         1.7 Thesis Structure       16         CHAPTER 2 - LITERATURE REVIEW       18         2.1 Lean       18         2.1.1 Brief History of Lean       18         2.1.2 Principles of Lean       19         2.1.3 The Goal of Lean       21         2.1.4 Muda or Waste       21         2.1.5 Lean Tools       22         2.2 Value Stream Mapping       23         2.2.1 Brief History of VSM       23         2.2.2 Simple and Essential Tool       24         2.2.3 Application of VSM       25         2.2.4 Crucial Things Showed Through VSM       26         2.2.5 Symbols of VSM       27         2.2.6 Creating a Value Stream Map       27         2.2.6.1 Product Family Selection       29         2.2.6.2 Current State Drawing	DEDICATION	5				
LIST OF FIGURES       11         LIST OF TABLES       13         CHAPTER 1 – INTRODUCTION       14         1.1 Background       14         1.2 Thesis Purpose       15         1.3 Thesis Scope and Limitation       15         1.4 General Statements of Problem Area       16         1.5 Research Problem       16         1.6 Assumption       16         1.7 Thesis Structure       16         CHAPTER 2 - LITERATURE REVIEW       18         2.1 Lean       18         2.1.1 Brief History of Lean       18         2.1.2 Principles of Lean       19         2.1.3 The Goal of Lean       21         2.1.4 Muda or Waste       21         2.1.5 Lean Tools       22         2.2 Value Stream Mapping       23         2.2.1 Brief History of VSM       23         2.2.2 Simple and Essential Tool       24         2.2.3 Application of VSM       25         2.2.4 Crucial Things Showed Through VSM       26         2.2.5 Symbols of VSM       27         2.2.6 Creating a Value Stream Map       27         2.2.6.1 Product Family Selection       29         2.2.6.2 Current State Drawing       29	ACKNOWLEDGEMENTS	6				
LIST OF TABLES       13         CHAPTER 1 – INTRODUCTION       14         1.1 Background       14         1.2 Thesis Purpose       15         1.3 Thesis Scope and Limitation       15         1.4 General Statements of Problem Area       16         1.5 Research Problem       16         1.6 Assumption       16         1.7 Thesis Structure       16         CHAPTER 2 - LITERATURE REVIEW       18         2.1 Lean       18         2.1.1 Brief History of Lean       18         2.1.2 Principles of Lean       19         2.1.3 The Goal of Lean       21         2.1.4 Muda or Waste       21         2.1.5 Lean Tools       22         2.2 Value Stream Mapping       23         2.2.1 Brief History of VSM       23         2.2.2 Simple and Essential Tool       24         2.2.3 Application of VSM       25         2.2.4 Crucial Things Showed Through VSM       26         2.2.5 Symbols of VSM       27         2.2.6 Creating a Value Stream Map       27         2.2.6.1 Product Family Selection       29         2.2.6.2 Current State Drawing       29	TABLE OF CONTENTS	7				
CHAPTER 1 – INTRODUCTION       14         1.1 Background       14         1.2 Thesis Purpose       15         1.3 Thesis Scope and Limitation       15         1.4 General Statements of Problem Area       16         1.5 Research Problem       16         1.6 Assumption       16         1.7 Thesis Structure       16         CHAPTER 2 - LITERATURE REVIEW       18         2.1 Lean       18         2.1.1 Brief History of Lean       18         2.1.2 Principles of Lean       19         2.1.3 The Goal of Lean       21         2.1.4 Muda or Waste       21         2.1.5 Lean Tools       22         2.2 Value Stream Mapping       23         2.2.1 Brief History of VSM       23         2.2.2 Simple and Essential Tool       24         2.2.3 Application of VSM       25         2.2.4 Crucial Things Showed Through VSM       26         2.2.5 Symbols of VSM       27         2.2.6 Creating a Value Stream Map       27         2.2.6.1 Product Family Selection       29         2.2.6.2 Current State Drawing       29	LIST OF FIGURES	11				
1.1       Background.       14         1.2       Thesis Purpose.       15         1.3       Thesis Scope and Limitation       15         1.4       General Statements of Problem Area.       16         1.5       Research Problem.       16         1.6       Assumption.       16         1.7       Thesis Structure.       16         CHAPTER 2 - LITERATURE REVIEW       18         2.1       Lean.       18         2.1.1       Brief History of Lean.       19         2.1.2       Principles of Lean.       19         2.1.3       The Goal of Lean.       21         2.1.4       Muda or Waste.       21         2.1.5       Lean Tools.       22         2.2       Value Stream Mapping.       23         2.2.1       Brief History of VSM.       23         2.2.2       Simple and Essential Tool.       24         2.2.3       Application of VSM.       25         2.2.4       Crucial Things Showed Through VSM.       26         2.2.5       Symbols of VSM.       27         2.2.6       Creating a Value Stream Map.       27         2.2.6.1       Product Family Selection.       29	LIST OF TABLES	13				
1.2       Thesis Purpose       15         1.3       Thesis Scope and Limitation       15         1.4       General Statements of Problem Area       16         1.5       Research Problem       16         1.6       Assumption       16         1.7       Thesis Structure       16         CHAPTER 2 - LITERATURE REVIEW       18         2.1       Lean       18         2.1.1       Brief History of Lean       19         2.1.3       The Goal of Lean       21         2.1.4       Muda or Waste       21         2.1.5       Lean Tools       22         2.2       Value Stream Mapping       23         2.2.1       Brief History of VSM       23         2.2.2       Simple and Essential Tool       24         2.2.3       Application of VSM       25         2.2.4       Crucial Things Showed Through VSM       26         2.2.5       Symbols of VSM       27         2.2.6       Creating a Value Stream Map       27         2.2.6.1       Product Family Selection       29         2.2.6.2       Current State Drawing       29	CHAPTER 1 – INTRODUCTION	14				
1.3       Thesis Scope and Limitation       15         1.4       General Statements of Problem Area       16         1.5       Research Problem       16         1.6       Assumption       16         1.7       Thesis Structure       16         CHAPTER 2 - LITERATURE REVIEW       18         2.1       Lean       18         2.1.1       Brief History of Lean       19         2.1.2       Principles of Lean       21         2.1.3       The Goal of Lean       21         2.1.4       Muda or Waste       21         2.1.5       Lean Tools       22         2.2       Value Stream Mapping       23         2.2.1       Brief History of VSM       23         2.2.2       Simple and Essential Tool       24         2.2.3       Application of VSM       25         2.2.4       Crucial Things Showed Through VSM       26         2.2.5       Symbols of VSM       27         2.2.6       Creating a Value Stream Map       27         2.2.6.1       Product Family Selection       29         2.2.6.2       Current State Drawing       29						
1.4 General Statements of Problem Area.       16         1.5 Research Problem       16         1.6 Assumption       16         1.7 Thesis Structure       16         CHAPTER 2 - LITERATURE REVIEW       18         2.1 Lean       18         2.1.1 Brief History of Lean       18         2.1.2 Principles of Lean       19         2.1.3 The Goal of Lean       21         2.1.4 Muda or Waste       21         2.1.5 Lean Tools       22         2.2 Value Stream Mapping       23         2.2.1 Brief History of VSM       23         2.2.2 Simple and Essential Tool       24         2.2.3 Application of VSM       25         2.2.4 Crucial Things Showed Through VSM       26         2.2.5 Symbols of VSM       27         2.2.6 Creating a Value Stream Map       27         2.2.6.1 Product Family Selection       29         2.2.6.2 Current State Drawing       29						
1.5       Research Problem       16         1.6       Assumption       16         1.7       Thesis Structure       16         CHAPTER 2 - LITERATURE REVIEW       18         2.1       Lean       18         2.1.1       Brief History of Lean       18         2.1.2       Principles of Lean       19         2.1.3       The Goal of Lean       21         2.1.4       Muda or Waste       21         2.1.5       Lean Tools       22         2.2       Value Stream Mapping       23         2.2.1       Brief History of VSM       23         2.2.2       Simple and Essential Tool       24         2.2.3       Application of VSM       25         2.2.4       Crucial Things Showed Through VSM       26         2.2.5       Symbols of VSM       27         2.2.6       Creating a Value Stream Map       27         2.2.6.1       Product Family Selection       29         2.2.6.2       Current State Drawing       29						
1.6       Assumption       16         1.7       Thesis Structure       16         CHAPTER 2 - LITERATURE REVIEW       18         2.1       Lean       18         2.1.1       Brief History of Lean       19         2.1.2       Principles of Lean       21         2.1.3       The Goal of Lean       21         2.1.4       Muda or Waste       21         2.1.5       Lean Tools       22         2.2       Value Stream Mapping       23         2.2.1       Brief History of VSM       23         2.2.2       Simple and Essential Tool       24         2.2.3       Application of VSM       25         2.2.4       Crucial Things Showed Through VSM       26         2.2.5       Symbols of VSM       27         2.2.6       Creating a Value Stream Map       27         2.2.6.1       Product Family Selection       29         2.2.6.2       Current State Drawing       29						
1.7 Thesis Structure       16         CHAPTER 2 - LITERATURE REVIEW       18         2.1 Lean       18         2.1.1 Brief History of Lean       18         2.1.2 Principles of Lean       19         2.1.3 The Goal of Lean       21         2.1.4 Muda or Waste       21         2.1.5 Lean Tools       22         2.2 Value Stream Mapping       23         2.2.1 Brief History of VSM       23         2.2.2 Simple and Essential Tool       24         2.2.3 Application of VSM       25         2.2.4 Crucial Things Showed Through VSM       26         2.2.5 Symbols of VSM       27         2.2.6 Creating a Value Stream Map       27         2.2.6.1 Product Family Selection       29         2.2.6.2 Current State Drawing       29						
CHAPTER 2 - LITERATURE REVIEW       18         2.1 Lean       18         2.1.1 Brief History of Lean       18         2.1.2 Principles of Lean       19         2.1.3 The Goal of Lean       21         2.1.4 Muda or Waste       21         2.1.5 Lean Tools       22         2.2 Value Stream Mapping       23         2.2.1 Brief History of VSM       23         2.2.2 Simple and Essential Tool       24         2.2.3 Application of VSM       25         2.2.4 Crucial Things Showed Through VSM       26         2.2.5 Symbols of VSM       27         2.2.6 Creating a Value Stream Map       27         2.2.6.1 Product Family Selection       29         2.2.6.2 Current State Drawing       29						
2.1 Lean       18         2.1.1 Brief History of Lean       18         2.1.2 Principles of Lean       19         2.1.3 The Goal of Lean       21         2.1.4 Muda or Waste       21         2.1.5 Lean Tools       22         2.2 Value Stream Mapping       23         2.2.1 Brief History of VSM       23         2.2.2 Simple and Essential Tool       24         2.2.3 Application of VSM       25         2.2.4 Crucial Things Showed Through VSM       26         2.2.5 Symbols of VSM       27         2.2.6 Creating a Value Stream Map       27         2.2.6.1 Product Family Selection       29         2.2.6.2 Current State Drawing       29	1.7 Thesis Structure	16				
2.1.1 Brief History of Lean       18         2.1.2 Principles of Lean       19         2.1.3 The Goal of Lean       21         2.1.4 Muda or Waste       21         2.1.5 Lean Tools       22         2.2 Value Stream Mapping       23         2.2.1 Brief History of VSM       23         2.2.2 Simple and Essential Tool       24         2.2.3 Application of VSM       25         2.2.4 Crucial Things Showed Through VSM       26         2.2.5 Symbols of VSM       27         2.2.6 Creating a Value Stream Map       27         2.2.6.1 Product Family Selection       29         2.2.6.2 Current State Drawing       29						
2.1.2       Principles of Lean       19         2.1.3       The Goal of Lean       21         2.1.4       Muda or Waste       21         2.1.5       Lean Tools       22         2.2       Value Stream Mapping       23         2.2.1       Brief History of VSM       23         2.2.2       Simple and Essential Tool       24         2.2.3       Application of VSM       25         2.2.4       Crucial Things Showed Through VSM       26         2.2.5       Symbols of VSM       27         2.2.6       Creating a Value Stream Map       27         2.2.6.1       Product Family Selection       29         2.2.6.2       Current State Drawing       29	2.1 Lean	18				
2.1.3       The Goal of Lean       21         2.1.4       Muda or Waste       21         2.1.5       Lean Tools       22         2.2.2       Value Stream Mapping       23         2.2.1       Brief History of VSM       23         2.2.2       Simple and Essential Tool       24         2.2.3       Application of VSM       25         2.2.4       Crucial Things Showed Through VSM       26         2.2.5       Symbols of VSM       27         2.2.6       Creating a Value Stream Map       27         2.2.6.1       Product Family Selection       29         2.2.6.2       Current State Drawing       29	2.1.1 Brief History of Lean	18				
2.1.4       Muda or Waste       21         2.1.5       Lean Tools       22         2.2       Value Stream Mapping       23         2.2.1       Brief History of VSM       23         2.2.2       Simple and Essential Tool       24         2.2.3       Application of VSM       25         2.2.4       Crucial Things Showed Through VSM       26         2.2.5       Symbols of VSM       27         2.2.6       Creating a Value Stream Map       27         2.2.6.1       Product Family Selection       29         2.2.6.2       Current State Drawing       29	2.1.2 Principles of Lean	19				
2.1.5       Lean Tools       22         2.2       Value Stream Mapping       23         2.2.1       Brief History of VSM       23         2.2.2       Simple and Essential Tool       24         2.2.3       Application of VSM       25         2.2.4       Crucial Things Showed Through VSM       26         2.2.5       Symbols of VSM       27         2.2.6       Creating a Value Stream Map       27         2.2.6.1       Product Family Selection       29         2.2.6.2       Current State Drawing       29	2.1.3 The Goal of Lean	21				
2.2Value Stream Mapping232.2.1Brief History of VSM232.2.2Simple and Essential Tool242.2.3Application of VSM252.2.4Crucial Things Showed Through VSM262.2.5Symbols of VSM272.2.6Creating a Value Stream Map272.2.6.1Product Family Selection292.2.6.2Current State Drawing29	2.1.4 Muda or Waste	21				
2.2.1Brief History of VSM232.2.2Simple and Essential Tool242.2.3Application of VSM252.2.4Crucial Things Showed Through VSM262.2.5Symbols of VSM272.2.6Creating a Value Stream Map272.2.6.1Product Family Selection292.2.6.2Current State Drawing29	2.1.5 Lean Tools	22				
2.2.2Simple and Essential Tool242.2.3Application of VSM252.2.4Crucial Things Showed Through VSM262.2.5Symbols of VSM272.2.6Creating a Value Stream Map272.2.6.1Product Family Selection292.2.6.2Current State Drawing29	2.2 Value Stream Mapping	23				
2.2.3Application of VSM.252.2.4Crucial Things Showed Through VSM262.2.5Symbols of VSM.272.2.6Creating a Value Stream Map272.2.6.1Product Family Selection292.2.6.2Current State Drawing29	2.2.1 Brief History of VSM	23				
2.2.4Crucial Things Showed Through VSM262.2.5Symbols of VSM272.2.6Creating a Value Stream Map272.2.6.1Product Family Selection292.2.6.2Current State Drawing29	2.2.2 Simple and Essential Tool	24				
2.2.5Symbols of VSM	2.2.3 Application of VSM	25				
2.2.6Creating a Value Stream Map272.2.6.1Product Family Selection292.2.6.2Current State Drawing29	2.2.4 Crucial Things Showed Through VSM	26				
2.2.6.1Product Family Selection292.2.6.2Current State Drawing29	2.2.5 Symbols of VSM	27				
2.2.6.2 Current State Drawing	2.2.6 Creating a Value Stream Map	27				
<u> </u>	2.2.6.1 Product Family Selection	29				
2.2.6.3 Future State Drawing	2.2.6.2 Current State Drawing	29				
	2.2.6.3 Future State Drawing	30				

2.2.6.4 Work Plan and Implementation	31
2.2.7 Calculation for VSM	31
2.2.7.1 Takt Time	31
2.2.7.2 Inventory lead time	32
2.3 Simulation	32
2.3.1 Simulation in Support of VSM	33
2.3.2 Strength and Weakness of Simulation	34
2.3.3 Verification and Validation	34
2.4 Cycle Time Preparation	35
2.4.1 Uniformity Test	
2.4.2 Adequacy Test	35
2.4.3 Standard Time	36
CHAPTER 3 – RESEARCH METHODOLOGY	37
3.1 Data Collection Methods	39
3.1.1 Direct Observation	39
3.1.2 Discussion	39
3.2 Validity Test	40
3.3 Simulation Model Verification and Validation	40
CHAPTER 4 – RESULTS AND DISCUSSIONS	41
4.1 Data Collection	41
4.1.1 Company Overview	41
4.1.2 The Product	41
4.1.3 Demand	43
4.1.4 Production Process	43
4.1.4.1 Production Process: Raw Material Preparation	45
4.1.4.2 Production Process: Mixing	45
4.1.4.3 Production Process: Injection Moulding	47
4.1.4.4 Production Process: Spur Grinding	49
4.1.4.5 Production Process: Packaging	50
4.1.4.6 Production Process: Shipping	53
4.1.5 Cycle Time	53
4.1.5.1 Cycle Time: Raw Material Preparation and Shipping	53
4.1.5.2 Cycle Time: Mixing	54
4.1.5.3 Cycle Time: Injection Moulding	55
4.1.5.4 Cycle Time: Spur Grinding	56

	4.1.5.5	Cycle Time: Packaging	57
	4.1.6	Setup Time	58
	4.1.7	Working Time	58
	4.1.8	Number of Operators Involved	59
	4.1.9	Inventory Quantity	59
	4.2 D	ata Preparation	60
	4.2.1	Uniformity Test	60
	4.2.2	Adequacy Test	62
	4.2.3	Standard Time	63
	4.2.4	Takt Time	64
	4.2.5	Inventory lead time	64
	4.3 V	SM Development	65
	4.3.1	Product Family Selection	65
	4.3.1.1	Part Quantity Process Routing (PQPR)	65
	4.3.1.2	Financial and Customer Relation Perspective	66
	4.3.2	Create Current State Map	66
	4.3.3	Simulate Current State Map	71
	4.3.3.1	Simulation Adjustment (Current State Model)	71
	4.3.3.2	Simulation Result (Current State Model)	72
	4.3.4	Model Verification and Validation	73
į	4.3.5	Analysis of Current State Map	74
	4.3.5.1	Cycle Time	74
	4.3.5.2	Production Lead Time	74
	4.3.5.3	Inventory	75
	4.3.5.4	Takt Time	75
	4.3.6	Create Future State Map	76
	4.3.7	Simulate Future State Map	78
	4.3.7.1	Simulation Adjustment (Future State Model)	78
	4.3.7.2	Simulation Result (Future State Model)	79
	4.4 C	urrent State and Future State Model Analysis	80
	4.4.1	Production System	80
	4.4.2	Work-in-process (WIP)	81
	4.4.3	Raw Material Quantity	82
	4.4.4	Raw Material Requirement	82
	4.4.5	Finish Product Inventory	83

CHAPTER 5 – CONCLUSION AND RECOMMENDATIONS	84
5.1 Conclusion	84
5.2 Recommendations	84
GLOSSARY	85
REFERENCES	86
APPENDICES	89
APPENDIX A – CONTACT REPORT	90
CURRICULUM VITAE	95

