ABSTRACT

PT MJoint which produces bags and shoes made from cowhide. The company currently has a workforce of 130 people, 20 sewing machines, 2 buttons for attaching accessories, 2 stamping machines, 2 cutting press machines, and 3 sets of machines. PT MJoint implements a make to stock system for in-store sales and make to order according to buyer requests. The number of requests for 4000 pieces per month. The highest demand comes from Europe, with an average of 3500 bags per month. The rest is local demand and goods to be sold in shops. Currently, the company's production capability is 3500 bags per month. As a result, 500 products that should have been produced were not fulfilled.

Based on the description above, the implementation of lean manufacturing in the production process of bag products in the company will be carried out by mapping and calculating costs using Activity Based Costing to measure and analyze the process so that it can facilitate decision making.

Based on the proposed cost integrated value stream map, the total product cycle time is 546.80 seconds, the total value stream lead time is 145 seconds. The total value added cost of making bag products is Rp. 1,050,000 and the total non value added cost is Rp. 0. Cost reduction can occur due to improvements in the production line by combining make-up work stations and quality control. Production time can also be cut due to the pitch system. So that the production flow is more regular and the production amount can be controlled.

Keywords : Lean Manufacturing, Value Stream Mapping, Activity Based Costing,Value added cost, Non Value Added Cost