

ABSTRACT

This study aims to analyze the effectiveness of Material Requirements Planning (MRP) at PT. XYZ, a furnitur manufacturing company. Despite implementing MRP in their production raw material management process, their lead time delivery percentage only reached 45% in the first quarter of 2023, below the average of other major suppliers at 63%. This abstract highlights the role of MRP in understanding the timely material needs to enhance the accuracy of product delivery to customers. The research will explore the extent to which MRP effectiveness impacts on-time delivery to customers and its overall operational performance at PT. XYZ.

This research employs a qualitative method, collecting data and information through interviews with managerial staff at PT. XYZ and observation of available data. The research was conducted over a period of 6 months, focusing on the furnitur unit of PT. XYZ located in Central Java.

The findings affirm that effective MRP plays a crucial role in ensuring accurate product delivery to customers at PT. XYZ. However, other factors such as production capacity also significantly contribute to this timely delivery. Furthermore, MRP implementation has a significant impact on the company's operational performance, adding to and reinforcing previous research. From a managerial perspective, this study suggests that PT. XYZ management conduct a comprehensive evaluation of MRP implementation, focusing on the accuracy of the data used. Additionally, further research is needed to explore other factors that may affect product delivery accuracy. It is recommended to expand the scope of research by comparing MRP usage practices in other furnitur manufacturing companies in future research agendas.

Keywords: MRP Effectiveness, On-time Delivery, Operational Performance