

The strategy of provision of CPO raw material (case study: PT Mamuang Pasangkayu North Mamuju Regency)

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ABSTRACT

The continuity of the production process in a company will be influenced by various factors, including capital, technology, supplies of raw materials, finished goods and labor supply. Inventory as elements of working capital is an asset that is always in a state of spinning. Supplies are also elements of seamless assets that are always considered liquid compared with other asset elements such as cash, Receivables, and marketable securities. Adequate supply of raw materials can accelerate the production process. So that the resulting finished goods can assure the effectiveness of marketing activities. PT. Mamuang Pasangkayu (North Mamuju Regency) as one of palm oil plantation management under the PT Astra Indonesia. Oil Palm Factory owned by PT Mamuang is one unit where MCC Mamuang currently acquires supplies from its core gardens and plasma gardens. PT Mamuang Pasangkayu was established in June 2006 and produced CPO/crude palm oil and PK/palm kernel. At the beginning of the factory, raw materials were obtained from several CV and Pasangkayu PTP Garden. Pt. Mamuang Pasangkayu still has constraints in its business that the production of a garden they have not enough to fulfill the needs of the factory while the supply from other gardens is not much because of the new rejuvenation process. In addition to the supply of FFB (fresh fruit bunch) acquired, since September 2007 is no longer brought to the furnace RIMDU because of consideration of large transportation costs. Moreover, changes in the CPO price in the world market also affect the number of demand and supply. Fluctuations in CPO prices affect the manufacturing process. This will also affect the amount of production produced. Price increases and price declines require rapid anticipation so that the company can adapt to the changes that occur.

Keywords:

CPO, Raw material, Mamuang, Pasang Kayu

1. Introduction

Inventories are a wealth of companies that have an important role in business operations, the company needs to conduct proactive inventory management, meaning that the company must be able to anticipate the conditions and challenges that exist in the management supplies. The function of the preparation is decoupling, to help the company to fulfil the demand of subscriptions without depending on the supplier, Economic Lot Sizing, this inventory needs to consider the savings (purchase cuts, transportation costs per unit is cheaper and so on) because the company made purchases in greater quality, compared with costs incurred due to the magnitude of the cost (warehouse rental costs, investments, risks, etc.). To anticipate and hold seasonal inventories, faced uncertainty time period of delivery and time to provide safety stock [1].



Mamuang Pasangkayu Limited Liability Company (Ltd) is one of the business Unit which is under the auspices of PTP Astra Indonesia which is located in the West Sulawesi region and central Sulawesi. Pt. Mamuang Pasangkayu is a BUMS engaged in the agribusiness sector and make palm oil commodity as the main flagship company because this commodity and its derivative products have a bright prospect. Business Unit PT. Mamuang Pasangkayu is one of the 6 business units under the PTP ASTRA INDONESIA which was established in 1983 and started operating in 1990 with the number of employees at that time 87 people in the past, while currently listed on end of December 2015 the number of permanent employees is 232 people and temporary employees as many as 147 people. Mamuang Oil Palm Factory was established in 2008 and started operations in June 2008. Oil produced by PT. Mamuang is distributed to Sumatra and Kalimantan and exported to the countries of Singapore, Philifina, Korea, and Africa.

In the management of palm oil plantations, the company uses the land that is allowed with business rights (HGU). The company's HGU is valid for 30 years and can be renewed again. HGU first published in 1979 and ended in 2008. Currently the land used is an extension of the previous HGU contract. The crude palm oil (CPO) from Mamuang is marketed to MCC Rimdu and to PT Agrindo Indah Persada (AIP) in Merangin reGENCY of Sumatra and Kalimantan while PK is marketed to Palm kernel processing plant in Padang Industrial area. MCC parties are not experiencing any difficulties in marketing because the customer is already contracting. In marketing its products, both CPO and PK companies do not acquire competitors from similar companies because they have different customers.

Based on the background and the problem, this research aims to: 1). To find out how the company's strategy in carrying CPO raw materials, 2). Know the relevant information about inventory and procurement of raw materials in maintaining the continuity of the production process.

2. Method

This research was conducted at PT. Mamuang in the village of Tikke, Pasangkayu Sub-district of North Mamuju Regency and data collection began in October 2015. To answer the objectives that want to be achieved in this research used analysis method i.e., qualitative analysis using the SWOT method to analyze the internal and external factors of the company both strengths, weaknesses, opportunities and threats in procurement and control of raw materials in palm oil mills PT. Mamuang Pasangkayu. The results of identification of strengths, weaknesses, opportunities, and threats for the company are then combined, thus acquired a strategy that is a combination of power-opportunity (S-O), weakness-Opportunity (W-O), force-threat (S-T), weakness-threats (W-T).

Table 1. Analysis of SWOT matrix strategy of CPO raw material provision

		STRENGTH (S)	WEAKNESS (W)	
INTERNAL	1.	Raw materials (TBS) are available with good quality	1. The amount of raw material supply (TBS) is currently insufficient for the desired amount	
	2.	The stock of CPO and PK warehouse always exist	2. The frequency of raw materials (TBS) that enter the factory irregular	
	3.	Auxiliary and spare materials	3. The number of machines for TBS and spare parts sometimes no	
	4.	Parts for machine maintenance are always available	4. The tank capacity is limited/not able to accommodate more than 1 month CPO production	
	5.	Supply contiality wakefulness		
	6.	Source of raw materials (TBS) from the garden itself		
	7.	Has biodiesel technology and compost fertilizer		
		OPPORTUNITY	STRATEGY S-O	STRATEGY W-O
EXTERNAL	1.	More production possibilities because there are still many	1. Increase the production of the Rimbo Garden One and Rimbo two with the provision of compost fertilizer to increase RBT (average weight Tandan) (S1, S2, S3, S4, O1)	1. Optimizing Garden production
	2.	Trees that have not harvested the maximum palm oil derivative products have bright prospects.		2. Maximize harvest and schedule of CPO delivery (W1, W4, O1)
	3.	High CPO demand	2. Quality improvement with technology as needed	
	4.	Local governments support the palm oil industry		
		THREAT	STRATEGY S-T	STRATEGY W-T
	1.	Factory does not cultivate due to shortage of raw materials	1. Factory does not cultivate due to shortage of raw materials	Authorizes the MCC for important matters (W3, T2)
	2.	Permits from Headquarters that sometimes take time	2. Permits from Headquarters that sometimes take time	
	3.	The presence of pests and theft of TBS	3. The presence of pests and theft of TBS	
	4.	High tax for plantation	4. High tax for plantation	

3. Results and Discussion

3.1. Analysis of Internal and External Factors for the Provision of Raw Material of CPO

3.1.1. Matrix Analysis IFE (Internal Factors Evaluation)

Internal factors are performed by creating a matrix table of IFE (Internal Factors Evaluation) based on indicators of strengths and weaknesses.

Table 2. The result of IFE matrix analysis

Internal Factors Strengths	Weight	Rating	Score
a. Raw materials (CPO) are available with good quality	0,12	4	0,48
b. Stock CPO in warehouse is always available	0,105	3	0,315
c. Auxiliary materials and spare parts for machine maintenance are always available	0,1	2	0,2
d. Quality of wakefulness Supply	0,095	3	0,285
e. Source of raw materials (CPO) from its own garden	0,105	4	0,42
f. Has biodiesel technology and compost fertilizer.	0,09	2	0,18
Total Strength	0,615		1,88
Weakness			
a. The amount of raw material supply (CPO) is insufficient	0,1	2	0,2
b. The frequency of raw materials (CPO) that enter the factory irregular	0,095	3	0,285
c. TBS supply is sometimes insufficient	0,09	3	0,27
d. The capacity of the tank is limited	0,1	2	0,2
Total Weakness	0,385		0,955
Total	1		2,835
Total Strength - Total Weakness = S - W = X = 0.23			

Based on the IFE matrix analysis in the table above shows that the factors influencing the provision of raw materials from the strengths side have an average cumulative value of 0.615 greater than the average cumulative value from the weaknesses of 0.0385. This situation shows that the strength factor for the provision of CPO raw material is greater than the weakness factor that will inhibit it.

3.1.2. EFE (External Factors Evaluation) Matrix Analysis

Furthermore, an analysis external factors based on opportunities and threats by creating an EFE (External Factors Evaluation) table.

Table 3 Analysis results of EFE matrix

External Factors	Weight	Rating	Score
Opportunities			
a. More production possibilities because there are still many trees that have not harvested the maximum	0,124	3	0,372
b. Palm oil derivative products have bright prospects.	0,149	3	0,447
c. High CPO demand	0,124	3	0,372
d. Local governments support the palm oil industry	0,124	3	0,372
Total Opportunity	0,521		1,563
Threats			
a. Factory does not cultivate due to shortage of raw materials	0,107	3	0,321
b. Permits from Headquarters that sometimes take time	0,124	2	0,248
c. The presence of pests and theft of TBS	0,124	3	0,372
d. High tax for plantation	0,124	2	0,248
Total Threat	0,479		1,189
Total	1		2,752
Total Opportunity - Total Threat = O - T = Y = 0.042			

Based on the analysis of the EFE matrix in table 3 above, it shows that the average cumulative value in terms of opportunities is by 0.521 greater than the average cumulative value in terms of threat of 0.479. This condition indicates that the opportunity factor for material supply CPO standard is greater than the threat factor that will inhibit it.

Some strategies for supplying and controlling CPO raw materials in Mamuang Pasangkayu palm oil mills are:

- a. Strengths - Opportunities (S - O) Strategy
 - Increase the production of the garden with the provision of compost fertilizer to increase RBT (average bunch weight).
- b. Weaknesses - Opportunities (W - O) Strategy
 - Optimizing Garden Production; and
 - maximize the harvest and schedule of CPO delivery.
- c. Strengths - Threats (S - T) Strategy
 - Optimizing MCC Performance According to existing engine capacities.
- d. Weaknesses strategy - Threats (W - T)
 - Authorizes the MCC for important matters.

The strategy used in overcoming the constraints of raw material deficiency is by optimizing the production of Mamuang. While the production of Mamuang is currently under development because most palm oil plants are still young. To optimize the production of the garden, Mamuang set up a waste processing plant to produce compost used in the garden itself. The use of homemade compost can keep the garden production high.

4. Conclusion

Based on the results and discussion, the research can be concluded that the strategy used to ensure the availability of raw materials should be the optimization of the plantation that has been produced. In addition, the factory can cooperate with farmers and private parties to fulfill the supply of raw materials. Not less important is the procurement of TBS and CPO and PK control of the company must maintain the performance of the plantation that has been achieved so that, it is able to result maximum production of TBS and able to maintain the quality of CPO, the resulting PK and develop efficient and effective use of resources (biodiesel and sewage treatment).

Reference

1. Rangkuti F. Analisis SWOT: Teknik membedah kasus bisnis. Jakarta: Gramedia Pustaka Utama; 2006.