



A STUDY ON FIFO IMPLEMENTATION FOR INVENTORY MANAGEMENT ON PRODUCTION LINE AT A MANUFACTURING COMPANY

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ABSTRACT

This research was conducted to study the FIFO implementation for inventory management on production line at a manufacturing company in Pekan, Pahang. The method used are interviewing and observation. The interviewing conducted with the managerial staff and observation on production line conducted to see the real situation of FIFO system. The aim of this study was to identify the component that having problem with implementing FIFO system. With this study, it may identify the component that having problem and idea to overcome this issue can be proposed and will help the company with FIFO implementation.

INTRODUCTION

FIFO stands for first-in, first-out, meaning that the oldest inventory items are recorded used first.

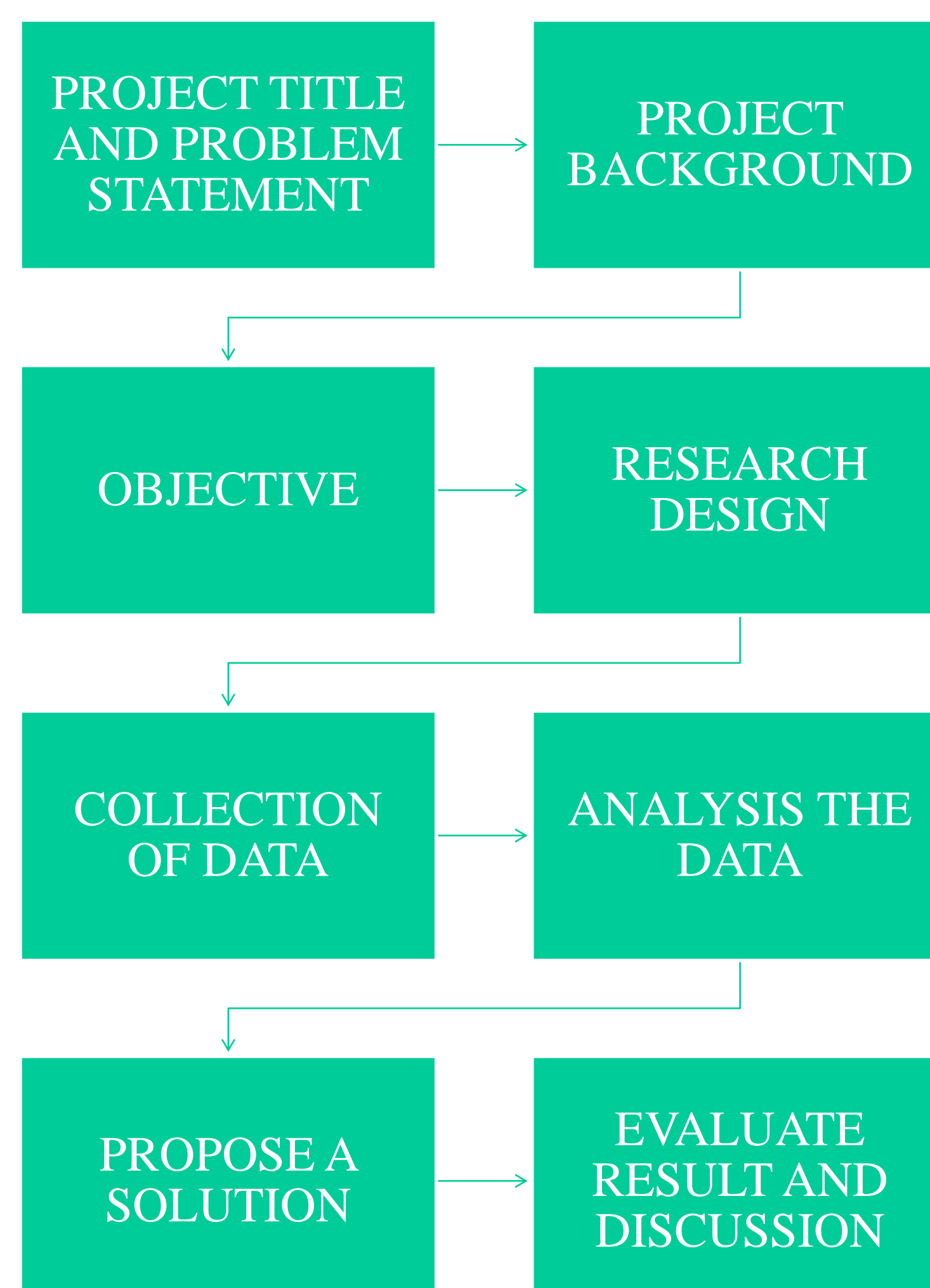
- Researcher will find the component that have problem with FIFO
- Recommendation to eliminate the problem proposed

OBJECTIVE/S

This thesis is to study on FIFO implementation for inventory management on production line at a manufacturing company.

- To identify the component that having problem to implement the FIFO system
- To propose the solutions to the problem

METHODS



RESULTS

FIFO IMPLEMENTATION

"Free Space Location" in warehouse

- uses a whiteboard to mark each goods stored

Shape of the rack

- Poka-yoke in the shape

Run By Date

- they were ordered to carry out stock on the date decided

PROBLEMATIC COMPENENT IN FIFO SYSTEM

Nuts and Screw

- cycle is at a rate of once a year
- not require a large space to store
- are 2 to 3 boxes open at the same time when replenish the tray
- No procedure
- Rejected when fall on the floor
- of tray-shaped box

IDEA PROPOSED

Labelling

- Date and color

Fabricate Pigeon Hole

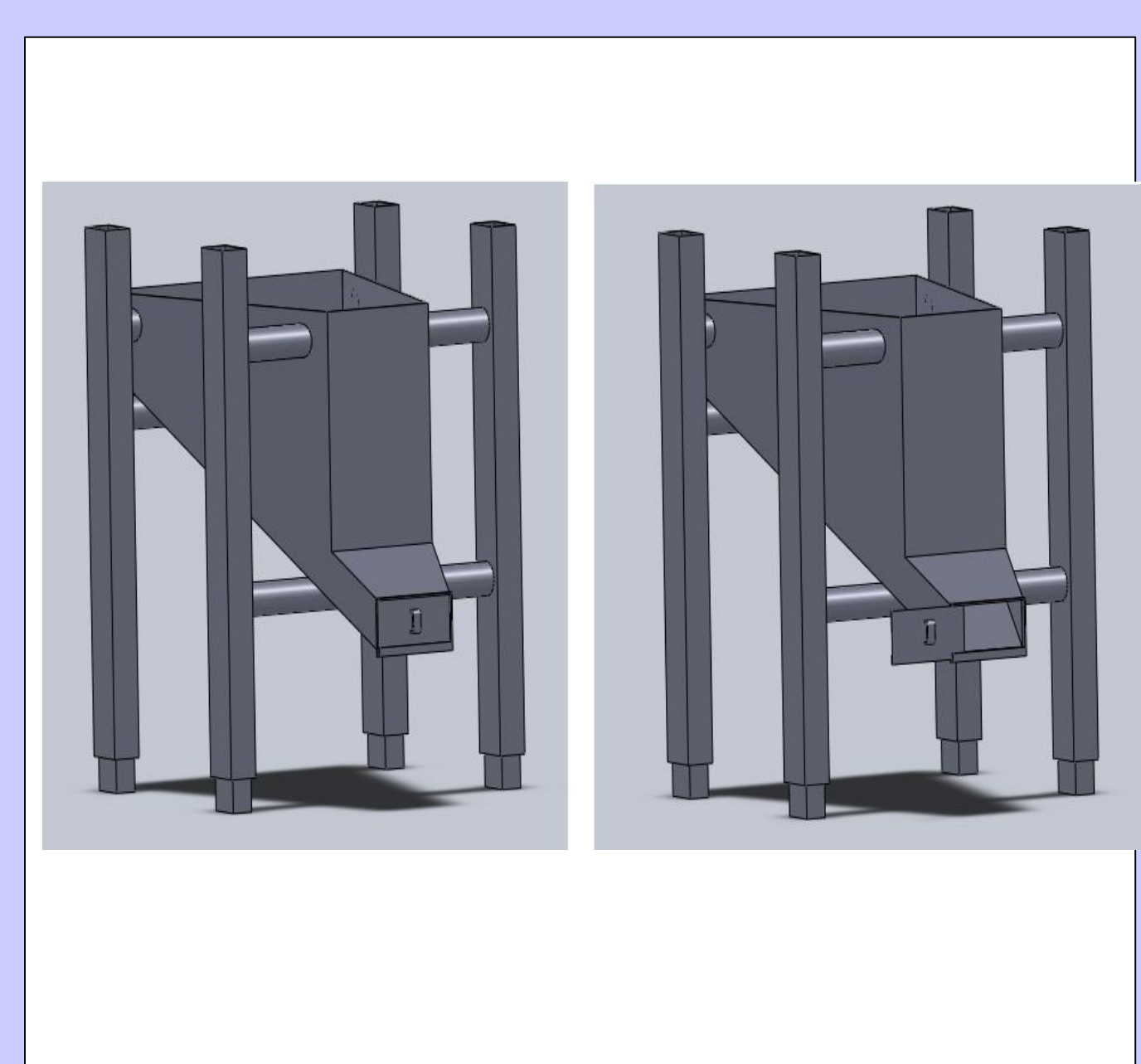
- Using Solidworks software to save time
- Feature as stopper added



Six slot tray design for one lot of finish product



The problematic tray used to store component in production line



Conceptual pigeon hole for nut and screw

CONCLUSIONS AND RECOMMENDATION

As a conclusion, the nuts and screw were identified that having problem with implementing FIFO system. The effect of not using the FIFO system, the quality of the product produced will be low in quality and it will be related to reliability. Finished product will not last long, and customer will claim for a warranty for defective goods within a short period of time. As a result, the Company will incur costs to solve the problem that occurred.

Recommendation :

- Fabricating new design for nuts and screw tray