

Abstract

A company or a manufacturer which can produce with low cost will lead to gain an advantage in doing the business. Therefore cost reduction is needed especially cost reduction in production line and office. This paper presents how to reduce processing time. The objective of this research is to improve efficiency of the incoming order process of a printed circuit board assembly manufacturing. Using the application of lean concept with value stream management to observe the prior process or AS IS model in order to design new process or TO BE model by eliminating non-value added activities.

The research's procedures used in this paper consist of Select a target product, Collect information of prior process and present by process flow chart, Create value stream of AS IS model, Study value stream of AS IS model by analyzing each activity and classify the activities into value and non-value added activities, Design new process and write down new value stream of TO BE model, Analysis and evaluate AS IS model and TO BE model.

A new incoming order process is given and applied. The key research indicator is the reduction of processing time. The new process shows that the processing times of incoming order process is reduced from 1,821 minutes to 661 minutes. The reduction of processing time is 1,160 minutes or 64%.