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INVENTORY MODEL FOR ORANGE SUPPLIERS IN LEMBANG SUBDISTRICT OF WEST BANDUNG REGENCY, INDONESIA

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ABSTRACT

Inventory is the act of storing raw materials, semi-finished goods, or finished products with the aim of optimizing the smoothness of production processes or business operations within a company, whether in the manufacturing or service sector. This inventory is carried out by the orange supplier in Lembang District, West Bandung Regency. The purpose of inventory management is to consistently maintain the quality of the orange products. The research method employed is descriptive, utilizing data collection techniques through observation and interviews. The research findings indicate that the inventory model employed by the orange supplier in Lembang District is make-to-stock, using the FIFO (First In, First Out) method. Goods, in the form of oranges that enter first will be promptly withdrawn with a maximum storage period of 10 days. The next process is packaging, intended for shipment to large-scale consumers (supermarkets) or small-scale ones (vendors or individual consumers).

KEY WORDS

Inventory, consumers, suppliers, oranges.

Bandung Regency is part of West Java Province. West Bandung Regency is an area that generates its regional income from the sale of fruit commodities, one of which is oranges. Siamese orange, or parsley, is one of the kinds of fruit produced in West Bandung district. According to BPS West Bandung district data for the year 2022, the amount of oranges it produced reached 28.276 quintals (Fauzan, 2023). Lembang is a municipality located in the West Bandung district and is one of the largest producers of orange commodities. To stay awake, one of the supplies is needed. The supplies are supplies of raw materials. The supply of raw materials to a company is an activity that needs to be well controlled.

Inventory is an inseparable part of the operational activity of a trade and manufacturing activity (Martani *et al.*, 2016; Listiani & Wahyuningsih, 2019). It is based on the fact that the main source of income for such activity is the sale of the inventory it possesses. The difference between the two is seen in the procurement of supplies that are purchased for the purposes of trade, while it is the manufacture of the goods that are sold. For the work of service, he shall have supplies, not for sale but in addition to the service that he has given, so that the supplies shall be regarded as supplies (Baihaki, 2023). The supply cycle in a company depends on how far the company's business goes. The higher the rate of transactions the company carries out, the higher the level of supply movement.

The make-to-stock (MTS) process is known in the supply process with the aim of providing a faster service to the customer by sending orders from available stocks at a lower



cost than the make-to-order (MTO) process. However, the MTO process has greater flexibility for product customization. The assemble-to-orders (ATO) process is like a combination of both, which allows the service process to be relatively fast for the client because of the limited amount of work that has to be completed after the customer's order has been received. It is also flexible because the customer can specify several types of customization (Schoeder, 2018).

Procedures and systems are very good, but if the movement of the activities of the inventory is not good, it will remain detrimental to the company (Syardiensah *et al.*, 2020). These stocks are needed to support sales that generate income and profit. Stock is a liquid asset that has a high risk, such as the occurrence of misappropriation, shortages and excesses of stock, and fraud that is detrimental to the activities of a company (Romney & Steinbart, 2015; Alawiah & Muchayatin, 2019). One of the suppliers is an orange supplier in Lembang Suppliers of orange make supplies that are carried out continuously while maintaining the quality of the goods. If not done, it will have an impact on the supplier's profits. In addition, it may affect other things, such as employees' salaries, or result in losses for those suppliers. Therefore, there is a need for a supply model that suppliers use to streamline supply activities.

METHODS OF RESEARCH

The research method used in this research is a type of qualitative research. According to Sugiyono (2018), Qualitative research is a method of research based on the philosophy of postpositivism, used to investigate the conditions of natural objects (as opposed to experiments), where the researcher is the key instrument, data collection techniques are triangulated (combined), data analysis is inductive, and the results of qualitative studies emphasize more meaning than generalization. The research data collection technique, classified into three, includes the library study used to support the research, interviews to deepen information from the orange suppliers in the field, as well as observations to conduct checks and see the condition of the suppliers on the ground. Furthermore, this method of analyzing research data uses descriptive analysis. The goal is to analyze the data by describing the data that has been collected based on the results of interviews with the orange suppliers. The sources mentioned here are the orange suppliers in the Lembang district of West Bandung.

RESULTS AND DISCUSSION

A company's inventory is an asset that is held for use in a production process or waiting to be sold, or it may also be a spare part, raw material, finished goods, auxiliary goods, or goods in the process (Fess, 2005). Further discussions on the supply of orange suppliers in the Lembang district can be explained as follows:

In its implementation, suppliers use make-to-stock, which is to prepare the stock of goods that enter the warehouse and sort the goods according to the order. The supplier, in the preparation of the orange goods, looked at the harvest of that orange. After harvesting, the oranges are sorted according to their respective grades, then washed using clean water, which is subsequently soaked for a few minutes using a special remedy for the fruit, and lastly stored for a maximum period of time of 10 days. The inventory system used is FIFO (First In, First Out), which is one of the methods of inventory management by using the inventory in the warehouse according to the time of entry of goods. The first stock that enters the warehouse is the stock that has to be first exited. This FIFO is used for the purpose that the stock of goods, in this case the first orange, can be sold immediately or used so as not to be quickly damaged because of too long storage in the warehouse.

When the goods are taken out of the warehouse, they shall be stored in a temporary warehouse (*cross docking*). The workers will sort the goods according to their quality. This is because the type or quality given to consumers or retailers, such as supermarkets, will be different depending on the agreement that occurs between consumers and suppliers. But on



the other hand, suppliers can act as retailers because they can sell directly to consumers. Moreover, the quality of goods will be differentiated according to demand. The quality of goods for large retailers such as supermarkets or the like will be of good quality, with glowing specifications, a burr rate of 5%, a minimum size of 120 grams, and a full yellow orange. The quality of the orange for the traditional merchants will be given to the goods according to their market capabilities, i.e., the size of the leather can be below 120 grams. Specifically, for consumers who buy directly, the supplier will both provide such specifications.

Sales between orange suppliers and consumers, in this case supermarket entrepreneurs, merchants in the market, or consumers who buy the goods, are a break sale. This break-sale means that the goods that have been purchased cannot be exchanged when the orange-like goods are rotten. The reason is that the consumer will directly see the condition of the orange sold by the supplier. When the goods given are not good in the sense of defects and the orange is ripe once, then they will sort it and sell it to the consumer. Consumers are the merchants or the community around them. Consumers will buy according to the quality of the goods so that they do not feel harmed because they know the condition of the oranges. The reproduction described above can be described as follows:

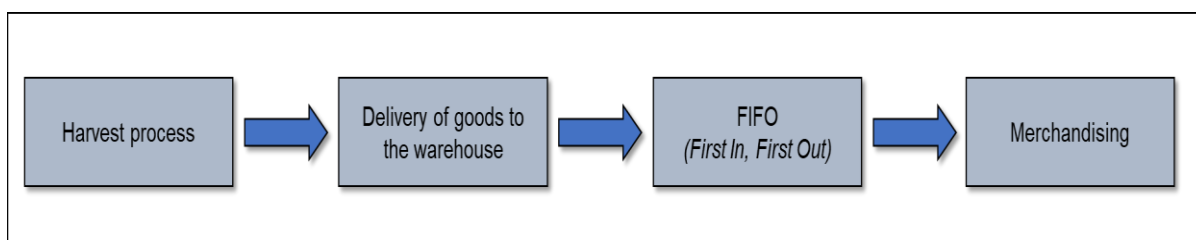


Figure 1 – Process of supply of orange-like goods

This stage is the final part of supply chain management, or an advanced part of inventory management. At this stage, the products stored in the warehouse will be delivered to the consumer on the requested delivery date. The manufacturer or supplier of oranges in Lembang district, together with the delivery service, will ensure that the product has reached the hands of the consumer perfectly. In this shipment, the manufacturer will do packaging, which can be done in three ways (Hellstrom & Saghir, 2006), namely:

- *Primer Packaging*, it is a material that directly wraps a product, usually the smallest unit in distribution or in direct contact with the product;
- *Secondary Packaging*, is used to merge several primary or secondary packaging of a product;
- *Tertiary Packaging*, it's a packaging to handle secondary packaging in larger quantities, for storage in warehouses and transportation. Generally, tertiary packaging in a palletized form is well arranged for placing in containers.

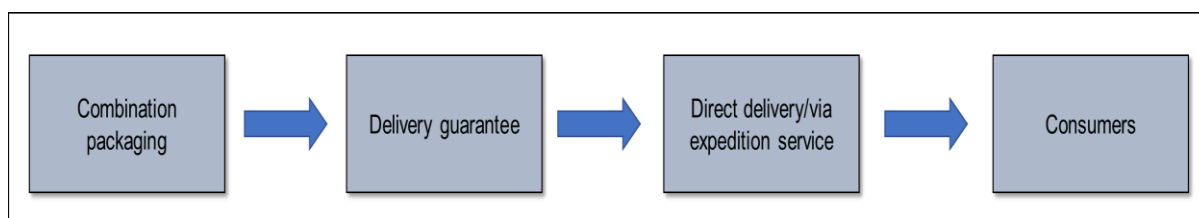


Figure 2 – Delivery process

The orange supplier uses a combination of the three previously mentioned types of packaging. When delivery distances are counted close, the supplier uses primary packaging only by using a dozen or wooden boxes. When delivery distances are counted within long distances, the supplier will use secondary and tertiary packaging, i.e., the oranges are wrapped in a spoon and subsequently repackaged using paper, and the cover is a wooden box. This is done to avoid sending defective or rotten goods. In distribution using expedition



transportation services, goods delivered will be insured. This is done for the safety of goods when unwanted things occur, such as accidents or natural disasters, the manufacturer or supplier is only responsible until the goods are delivered to the shipping service or expedition.

If it turns out that within a week the goods are rapidly rotten, it is the responsibility of the consumer; in this case, it could be a supermarket or other merchant who requests delivery of oranges from a supplier in Lembang. Delivery of goods is done through cooperation with delivery services or something similar. When consumers are still in the vicinity of Lembang, suppliers usually use instant delivery services or something similar. But sometimes suppliers deliver the goods ordered them using existing vehicles.

CONCLUSION

The process of obtaining orange from suppliers in Lembang district of West Bandung includes several processes. The harvest process is the first process, which is continued in the second process, the delivery of orange harvest to the warehouse. The third supply process is the implementation of FIFO, and then the final stage before the delivery of the orange is the processing by the workers. The model of supplies made by suppliers of oranges in Lembang district is the make-to-stock and FIFO (First In, First Out) method, that is, the goods that come in first will be released immediately with a period of time not more than 10 days. The packaging process will be carried out to be delivered to large-scale consumers such as supermarkets and the like, as well as other consumers of small scale, such as traders in the market and consumers who buy directly from suppliers. The primary, secondary, and tertiary packaging types used by the orange supplier in Lembang are all three.

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