

UNIVERSITI TEKNOLOGI MARA

SUPPLY CHAIN MANAGEMENT :
A STUDY ON PLASTIC RECYCLING AT
UNITED PLASTIC RECOVERY SDN. BHD.

VALERIE SINTI
NORLIZA ST. DZULKIFLI
NORHISMAWATI ST. LOT

MDA

DECEMBER 2014

ABSTRACT

The purpose of this study is to identify the current purchasing, transformation and logistic process at UPR; to examine the issues pertaining to the purchasing, transformation and logistic process at UPR; and to provide recommendation to UPR to have good supply chain management at United Plastic Recovery Sdn. Bhd., Kota Kinabalu, Sabah. Ultimately, this study also aims to identify the company's Supply Chain Management (SCM). For the purpose of this study, a qualitative method is used to collect information whereas a case study approach is used in this study to conclude the findings. Data collection was done through interview and observation. Time-Function Mapping and SWOT Analysis were selected to analyse the findings. The findings indicated that the current purchase and transformation process practiced by UPR take less than one day to run the company daily business. However, the finished products (inventory) are kept at UPR' factory for 26 days before being transport to customers location and become issue for the company. This study proposed UPR to reduce time taken for transporting PET flakes to the customers from 26 days to 14 days.

ACKNOWLEDGMENT

To His Most Gracious and Most Merciful, we would like to express our gratitude as this report finally comes to its conclusion and submitted. We gratefully acknowledge everyone who helped and engaged so actively with the report. Special thanks to our ABR advisor, Prof Madya Dr. Siti Halijjah Shariff for the continuous support and assistance. Special thanks go to Dr Ting Siew King and the *Pasca Office* UiTM Sabah staff for helping with so many discussions. We would also like to extend our gratitude to the organization which has participated in this study, United Plastic Recovery Sdn. Bhd., Kota Kinabalu, led by Managing Director Mr. Insan bin Muslimin, for sharing much needed information on its operations. On a more personal note, we would like to thank our parents, family members and friends for their endless love and encouragement in completing this report. Last but not least, to any individuals who have supported, helped and worked with us throughout our journey to complete our Master's Degree, we thank you from the bottom of our hearts.

TABLE OF CONTENTS

	Page
AUTHOR'S DECLARATION	iii
ABSTRACT	iv
ACKNOWLEDGEMENT	v
TABLE OF CONTENTS	vi
LIST OF TABLES	ix
LIST OF FIGURES	x
LIST OF ABBREVIATION/NOMENCLATURE	xi
CHAPTER ONE: INTRODUCTION	1
1.1 Background of the Industry	1
1.2 Background of the Study	2
1.3 Background of the Company	4
1.4 Statement of Problem	6
1.5 Objectives of the Research	7
1.6 Scope of the Study	7
1.7 Significance of Study	8
1.7.1 Organizations	8
1.7.2 Researchers	8
1.7.3 Public and Readers	9
1.8 Definition of Terms	9
1.8.1 SME	9
1.8.2 Plastic	10
1.8.3 Plastic Recycling	10
1.8.4 PET Flakes	10
1.8.5 Supply Chain Management	10

1.8.6	Purchasing	11
1.8.7	Transformation	11
1.8.8	Logistic	11
1.8.9	Time-Function Mapping	12
1.8.10	SWOT Analysis	12
CHAPTER TWO: LITERATURE REVIEW		13
2.1	Introduction	13
2.2	Supply Chain Management	13
2.3	Purchasing Process	15
2.4	Transformation Process	18
2.4.1	Sorting	21
2.4.2	Shredding and Compacting	22
2.4.3	Washing	22
2.4.4	Melting	23
2.4.5	Reforming	23
2.4	Logistic Process	23
2.5	Summary	25
CHAPTER THREE: RESEARCH DESIGN AND METHODOLOGY		26
3.1	Research Design	26
3.2	Data Collection Method	27
3.2.1	Interview	27
3.2.2	Observation	28
3.3	Data Analysis	29
3.3.1	SWOT Analysis	30
3.3.2	Time-Function Mapping	31
CHAPTER FOUR: FINDING, ANALYSIS AND DISCUSSIONS		32
4.1	What is the Current Purchasing Process in UPR?	32
4.2	What is the Current Transformation Process in UPR?	33
4.3	What is the Current Logistic Process in UPR?	35