

UNIVERSITI TEKNOLOGI MARA

**FACTORS AFFECTING INVENTORY
PERFORMANCE AT FM GLOBAL
LOGISTICS (M) SDN BHD**

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ABSTRACT

In Malaysia, the warehouse and logistics industry is experiencing rapid changes due to the traffic bottlenecks and the inventory inefficiencies that impede the progress of the logistics industry. The study on inventory performance is essential for a warehouse company to maximize its efficiency during the ongoing daily operations. The primary purpose of this study is to identify the main problems in the inventory process and to determine the factors that can affect the company's inventory performance for FM Global Logistics (M) Sdn Bhd, which is a Malaysian logistics company located in Port Klang, Selangor. In order to fulfill these objectives, several interviews, observations, and site visits were done at the company. The data obtained is then analyzed using a Pareto chart analysis to uncover the critical problems for poor inventory performance. Next, the inventory process flow at the company is analyzed to identify the bottlenecks and the Potential Failure Points in the inventory process. The final analysis in the study is using the Ishikawa Diagram to determine the root cause of poor inventory performance. The results shows that manpower, method, machine and environment are the main factors that could affect inventory performance at the company. The study suggests that a warehouse company should place more priorities on its human resource management, improve compliance with its operating procedures besides setting up a healthy working environment to improve its inventory performance. This qualitative study is vital to the improvement of the warehouse and logistics industry, especially in the Klang Valley area.

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