THE81S 9 - Tug.

MKT 650 - 25

PASCORP PAPER INDUSTRIES ; A STUDY ON TRANSPORTATION AND MATERIALS HANDLING EFFECTIVENESS

AHMAD NILHAKIM ABDUL RAHIM

BACHELOR OF BUSINESS ADMINISTRATION (HONS) (MARKETING) FACULTY OF BUSINESS AND MANAGEMENT MARA INSTRUCT OF TECHNOLOGY

OCTOBER 1998

LETTER OF TRANSMITTAL

BBA (Hons) (Marketing)

School of Business and Management Mara Institute of Technology 23000 Dungun Terengganu Darul Iman.

October 10, 1998

Tuan Haji Harun Othman

School of Business and Management Mara Institute of Technology 23000 Dungun Terengganu Darul Iman.

ATTACHMENT PROJECT PAPER.

Enclosed hereby thesis project entitled, "Pascorp Paper Industries : 'A Study on Transportation and Materials Handling Effectiveness'" for your perusal.

I do hope this project paper will meet school requirement and expectation.

Thank you,

Yours truly, ÀHMÀD NÌLHAKIM ABDUL RAHIM 96678738

In the name of Allah, the most beneficent and merciful.

Praise is only to Allah who has endowed me with *His Gracious and Mercy*.

With immense and pleasure I would like to express my deep gratitude to **Tuan Haji Harun Othman** for his assistance and for his constructive criticisms gave in preparing this dissertation. My special debt of appreciation goes to **"my special friend"** for the invaluable supports and encouragement given.

I am indebted to my classmate with whom I have shared much experience for their friendship and undertaking. My sincere thanks to my supervisors Encik Yusof Hussain, Puan Hani Rosslen, Puan Noraida Hatta and all staff in Pascorp Paper Industries Sdn. Bhd. for being so helpful during my practical period.

Finally, the thesis is dedicated to my family especially **my parents** (Allahyarham Haji Abdul Rahim and Hajjah Siti Fatimah) brothers and sisters for their unfailing encouragement and constant prayers. May God bless them all. AMIN.

i

FOTOSTAT TIEAK DIBENARKAN

UNIT RUJUKAN & PERKHIDMATAN PEMBACA

EXECUTIVE SUMMARY

When our country faced a trouble in economic started last year, many companies had been stopped their operation. Today, the company that still competed is the only strong company and their operation is based on local raw material. One of them that are still surviving is Pascorp Paper Industries Sdn. Bhd. (PPI). PPI involves in paper making sector which their operation are based on 100 % recycle paper. In the manufacturing industrial sector, physical distribution played an important role in making close relation with the customers. So the researcher used this subject to done the research.

The researcher had seen several problems occur in both elements such as the lorry used is not suitable, canvas used by the lorry is too poor, ISO 9002 procedure not full followed by the staff and poor in material handling activities. Ineffective practices in both elements were created a major problem that is product damaged.

This research is organised in order to analyse whether the current transportation and material handling practising fulfil the ISO 9002 standard and customer requirement and proposed a solution. Beside that it also to see how far it will affect the customer buying decision.

In other to gather the data and information, the researcher had been choosing several methods such as observation, customer survey and interview. As a general, both elements had been practices successfully and effectively. However the researcher found that there are still ineffective practices in certain condition and these should be improved.

TABLE OF CONTENT

Acknowledgement	i
Letter of transmittal	ii
Executive summary	iii
Table of contents	iv
List of tables	vi
List of figures	vii
List of abbreviations	viii

CHAPTER ONE : INTRODUCTION

1.1	Scope of study	1
1.2	Problems statement	3
1.3	Objectives of study	5
1.4	Significance of study	6
1.5	Hypotheses	7
1.6	Definition of terms	8
1.7	ISO 9002 Procedures	9
1.8	Limitations	16

CHAF	TER TWO : BACKGROUND OF THE COMPANY	17
2.1	Organization structure	19
2.2	Marketing channel structures at PPI	21
2.2.1	Physical distribution at PPI	22
2.2.2	Physical distribution activities	24

CHAPTER THREE : LITERATURE REVIEW

3.1	"A study of physical distribution management"	32
3.2	Introduction to physical distribution	34
3.3	Transportation decision making	36
3.4	Transportation	38

CHAPTER FOUR : METHODOLOGY

4.1	Research methodology	40
4.1.1	Primary data	40