



**EFFECTIVENESS OF SUPPLY CHAIN MANAGEMENT
(RECEIVING AND LOGISTICS) IN
1ST. SILICON (M) SDN. BHD.**

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EXECUTIVE SUMMARY

The study mainly captures on the Effectiveness of Supply Chain Management (Receiving and Logistics Section) in 1st. Silicon (M) Sdn. Bhd. in giving their service to the end-users. The end-users making orders through Purchase Order (PO) to purchase any goods that are used by them for their machines and equipments. These orders of goods will be forwarded to the suppliers or the vendors through Procurement section. When the suppliers or vendors received the PO, they will send the goods to the company through Receiving and Logistics section. Goods that are send out from the company back to vendor or to the customers will also have to go through the section. The researcher tried to find the problems and objectives of the project paper, and thereafter analyzed the significant of the study, which would benefit both Receiving and Logistics, the end-users and also the company.

The general activities of the receiving and logistics were enhanced by the literature review that were collected either from the internal and the external sources which are relate to the receiving and logistics activities in the company. Research methodology described about the methods that are used by the researcher to collect data for the project paper. These data are collected from the internal end-users that have been selected as the respondents for the study.

Finding and analysis that are conducted for the study were based on graphs which are extracted from the questionnaires that have been collected from the end-users or the respondents. Finding that have been concluded by the researcher found that services rendered by the receiving and logistics personnel were good, in which majority of the respondents satisfied and comfortable with it. Finally, from the data analysis and interpretations, conclusions and recommendations were derived. From the recommendations, receiving and logistics section and the end-users will have benefits in future and these would increase the level of efficiency for the section and it personnel.

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CHAPTER 1

INTRODUCTION

1.1 BACKGROUND OF THE STUDY

Supply Chain Management (SCM) is the process of planning, implementing, and controlling the operations of the supply chain with the purpose to satisfy customer requirements as efficiently as possible. Supply Chain Management spans all movement and storage of raw materials, work-in-process inventory, and finished goods from point-of-origin to point-of-consumption.

Supply Chain Management in 1st. Silicon (M) Sdn. Bhd. is consisted of Procurement, Warehouse Operation, Inventory Management, Receiving and Logistics section. For this research project, it will focus on the Receiving and Logistics section. The role and responsibilities of the receiving personnel is to make sure that they received goods such as chemicals, raw wafers, spare parts, clean room items and other goods that send in to the company in good and proper condition and distribute the goods to the end users in time. All the goods that entered the company premise must firstly go to the receiving section for checking and verification. Once it is received, the goods will be segregate accordingly on whether it will be inventoried into the warehouse or directly to the end-users. Inventoried goods/materials that received will be collected by the Warehouse section and to be stored in the allocated warehouses. Machines and equipments that are delivered to 1st. Silicon (M) Sdn. Bhd. also have to be delivered to the Receiving and Logistics first before it can be delivered to the end-users. All materials/goods, machines or equipments received will be entered into the computerized system called System Application Products (SAP).

The roles of Receiving and Logistics section plays important role in the company especially to the end-users. Problems encountered should be handled smoothly by Receiving and Logistics section. Improving on the present system, procedure and workflow should be obtained to gives smoother process flow and no interruption to the end-users especially the production line. In the

CHAPTER 2

LITERATURE REVIEW

2.1 SERVICES PROVIDED TO THE END-USERS

Mike Asher (1996) has written, organizations had traditionally focused on the quality of the product or service that they had offered. All effort had gone towards getting this right, often at the expense of the wider service offering. Analysis of complaints in many larger organizations reveals that in most cases customers are to a large extent happy with basic product or service but experience difficulties with the ancillary services such as delivery, invoicing, packaging and customer contact. These areas had been neglected as management concentrated on the production areas to reduce costs.

As in 1st. Silicon (M) Sdn. Bhd., the receiving and logistics section must be ready to provide their full service or support to the end users that are dealing with them. Incoming and outgoing of materials or finished goods should be delivered on time to the end users or the customers. Materials or goods that have been ordered by the end users must be received in good condition and according to the order by the end users or the customers.

Fremantle Davie (1992) mentioned that customer service is the final test. "You can get everything right in term of the product or service price and marketing, but unless you complete the process with good customer service you are run the risk of loosing customers or even go out of business".

For 1st. Silicon (M) Sdn. Bhd., the company must give an excellent customer service to its customers. This is because company with excellent customer service will survive for longer period than companies that does not have or doesn't give excellent customer service to their customers. For the internal customers especially the end users that deal with receiving and logistics section, good customer service should given to the end users by the receiving and logistics section because good customer service can effect the section