

**INVENTORY MANAGEMENT IN THE MAINTENANCE ITEMS
OF HARMO TECHNOLOGY CORPORATION**

THESIS

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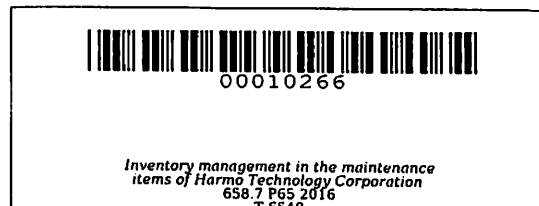
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**INVENTORY MANAGEMENT IN THE MAINTENANCE ITEMS OF HARMO
TECHNOLOGY CORPORATION**

**Undergraduate Thesis
Submitted to the Faculty of the
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**In partial fulfillment
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ABSTRACT

PIÑOL, JON VINCENT M. and REAL, RENIEL R. Inventory Management in the Maintenance Items of Harmo Technology Corporation. Undergraduate Thesis. Bachelor of Science in Industrial Engineering. Cavite State University, Indang, Cavite. April 2016. Adviser: Engr. Willie C. Buclatin.

This study was conducted to analyze the inventory management system of the maintenance items of Harmo Technology Corporation, to identify the present inventory management system of maintenance items, to determine the factors that affects the present inventory management system of maintenance items, to determine the effects of the present inventory management system of maintenance items and to provide recommendations for the continuous improvement of the company.

The data were gathered from the plant tour, interviews and the historical data of the company. Process mapping, why-why analysis, ABC analysis and cost-benefit analysis were used in analyzing the data gathered by the researchers.

The present inventory management system was composed of three parts namely purchase requisition, receiving of stocks and withdrawal of stocks. Based on the process mapping, there were processes that consume longer time. These processes were processing of purchase request, creating purchase order and withdrawal of items by the maintenance personnel. This problem was attributed to the number of employee assigned to the job.

Meanwhile, the factors that affect the present inventory management system of maintenance items were inability to make purchase orders immediately, lack of monitoring and poor scheduling of items to be ordered. As an effect, machine downtime is experienced in the production area.

For the continuous improvement of Harmo Technology Corporation, it was recommended to monitor the inventories and control the system. Monitoring included making ABC analysis that helps in analyzing the stocks that must be given priority. Also, the adaptation of the computed economic order quantity and re-order point was suggested. Through this, the warehouseman does not have to regularly check if stocks were available since there will be a fixed quantity to be ordered on a fixed schedule. Meanwhile, controlling included training the warehouseman and having additional warehouse men and purchasing officer. This action will help in improving the company since the right number of workers will be assigned to a specific job.

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INVENTORY MANAGEMENT IN THE MAINTENANCE ITEMS OF HARMO TECHNOLOGY CORPORATION

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INTRODUCTION

Harmo Technology Corporation was established in 2008 by the Japanese founder named Mr. Taiichi Sato. It is a PEZA registered company located at First Cavite Industrial Estate (FCIE), Dasmariñas, Cavite. The company is engaged in the manufacturing of Die Molds and Metal Stamping Parts for electronic and automotive application.

Inventory management is the overseeing and controlling of the ordering, storage and use of components that a company will use in the production of the items it will sell as well as the overseeing and controlling of quantities of finished products for sale (Brown, 2010). A company may decide to incorporate one key inventory management technique or combine a variety of techniques to meet organizational needs. Businesses utilize inventory management strategies to create invoices and purchase orders, generate receipts and control inventory-related accounting (Scott, 2008).