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DEVELOPMENT OF STANDARD OPERATING PROCEDURE

FOR EXCESS AND OBSOLETE (E&O) SALES AT PT FLEXTRONICS TECHNOLOGY INDONESIA

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1.Introduction

PT Flextronics Technology Indonesia is a subsidiary of Flex Ltd., a multinational company headquartered in the United States.

2.Applied Problems

- Lack of standardized SOP for operational processes
- Work is still based on informal instructions
- Inconsistency in process execution and workflow
- Potential inefficiency due to lack of documented procedures

4.Solution

- Conducted process analysis and workflow mapping for E&O material sales.
- Developed and standardized the E&O Material Sales SOP.
- Enhanced process consistency, coordination, and inventory efficiency.

Scan the QR Code to view the complete project results.

3.Literature Review

Inventory

Inventory refers to goods held for sale or used in production activities. Effective inventory management helps prevent overstock and stock shortages, supporting operational efficiency and business performance (Kieso et al., 2018; Horngren et al., 2016)

Standard Operating Procedure

A Standard Operating Procedure (SOP) is a documented guideline that ensures work processes are performed consistently, efficiently, and according to company standards (Heizer et al., 2017)

SOP Development Stages

The SOP development process includes identifying work activities, analyzing existing procedures, designing workflows, drafting the SOP, and reviewing it before implementation (Tambunan, 2013).

Scrap

Scrap refers to leftover materials with limited value that can still be sold, while spoilage refers to products that fail to meet quality standards. Proper management of scrap and spoilage helps reduce waste and operational losses (Horngren et al., 2016)

5.References

- Heizer, J., Render, B., & Munson, C. (2017). *Operations management: Sustainability and supply chain management* (12th editi). Pearson Education.
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6.Conclusion

The implementation of the E&O Material Sales SOP improved process standardization, workflow clarity, and inventory control. The SOP serves as a structured guideline that supports operational efficiency and better coordination among departments.