

ABSTRACT

This paper presents a model of transportation and raw material for management by using the Milk Run model of the Hard Disk Drive Product. Previous process used the warehouse center to stock and manage raw material in Vendor Management Inventory process and is controlled by third party logistics team.

The main question of this research is how to improve and manage cost of inventory keeping the goal of the company. This paper focuses on the methods of reducing cost of inventory and decreasing the transportation cost and applying new method to the real process.

This paper endeavors to contribute to better management and performance comparisons with the cost of transportation and raw material with Milk Run model which could provide the right solutions and improve processes.

In addition, this paper explores the collaboration of Supply Chain with suppliers. The 5 suppliers are a company's internal planning competency, capabilities, and the types of end products. A company's trading partners' capabilities and the market in which supply chains operate. The point is that each company will have an approach adopting supply chain collaboration in a different way by using different steps in the process to create a model in order to improve and manage cost of inventory and transportation management.