

**PRACTICAL WORK REPORT**  
**ANALYSIS OF OPERATION STRATEGY AND PLANNING IN**  
**BAKERY PRODUCT AT SRI SOLOK ENTERPRISE**



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APPROVAL SHEET  
STUDENT MOBILITY PRACTICAL WORK REPORT IN MALAYSIA  
ANALYSIS OF OPERATION STRATEGY AND PLANNING IN BAKERY  
PRODUCT AT SRI SOLOK ENTERPRISE

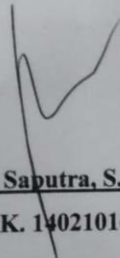
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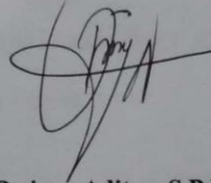
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Bandar Lampung, August 21, 2021

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Recognizing that there are still many deficiency and mistake in the preparation and language used. Criticism and suggestions from readers really hope for the improvement of this report. I hope this report will give advantage for all of us.

Bandar Lampung, August 21, 2021

**Aang Kunaypi**

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## Table of Content

APPROVAL SHEET .....	<b>Error! Bookmark not defined.</b>
CURRICULUM VITAE .....	ii
ACKNOWLEDGEMENTS .....	iv
CHAPTER I .....	1
INTRODUCTION.....	1
1.1.    Background .....	1
1.2.    Scope of Time .....	2
1.3.    The Benefits and Purposes of Research .....	2
a. Student.....	2
1. Improving reasoning for students in problems solving .....	2
2. Increase creativity .....	2
3. Train a sense of responsibility in completing tasks.....	2
4. Can be a student reference of Management operation .....	2
1.3.2. The purposes .....	2
1.4.    Place and Time of Implementation .....	2
CHAPTER II .....	4
GENERAL DESCRIPTION OF THE COMPANY.....	4
2.1. Company History .....	4
2.2.1.    UTeM International Center( UIC).....	5
2.3. Visi dan Misi .....	5
2.3.1. Vision .....	5
2.3.2. Mision.....	5
2.4. Main Line of Business / Activities of The Company .....	5
2.4. Company Location .....	5
2.1    Organizational Structure.....	7
BAB III.....	8
Company Problem.....	8
3.1. Analysis of Company Problem.....	8
3.1.1. Problem Finding .....	8
3.1.2. Formulation of Problem .....	9

3.1.3. Problem framework.....	9
3.2. Theoretical Basis .....	9
3.2.1. Operation Strategy.....	9
3.2.2. Facility Location of Sri Solok Enterprise.....	10
3.2.3. Facility layout.....	10
3.2.4. Quality Management/Control.....	10
3.2.5. SWOT Analysis.....	10
3.3. The Method Used.....	11
BAB IV .....	13
RESULT AND DISCUSSION.....	13
1.1. Result.....	13
1.1.1. Operation Plan.....	13
1.1.2. SWOT Analysis.....	15
1.2. Discussion .....	15
1.2.1. Operational Strategy.....	16
1.2.2. Facility Location.....	17
4.2.3. Facility Layout .....	18
4.2.4. Quality Manajemen Control.....	18
CHAPTER V.....	20
CONCLUSION AND SUGGESTION .....	20
2.1. Conclusion.....	20
2.2. Suggestion .....	20
References .....	21

# CHAPTER I

## INTRODUCTION

### 1.1. Background

Malaysia is still a destination country for many students to study. Malaysia's excellent education system makes many students decide to continue their studies in this country. Malaysia itself is a country with a multi-ethnic, multi-cultural and multi-lingual society, so international students can adapt well. The local community is open to people from abroad making it easy for many international students to blend in with them.

Many higher education institutions in Malaysia have collaborative programs with top universities from several countries. This collaborative program aims to enable students to complete overseas degree programs by studying in Malaysia. One of them is student mobility. One of them is the University Technical of Malaysia (UTeM) campus.

Universiti Teknikal Malaysia Melaka is one of the leading universities to offer engineering education. The main campus is located in the city of Melaka. The university offers undergraduate, postgraduate and research programs. Its faculties include Electronics and Computer Engineering, Electrical Engineering, Mechanical Engineering, Manufacturing Engineering, Information and Communication Technology, Technology Management and Techno-entrepreneurs.

Technical Malaysia Melacca also has many international programs, one of which is the student mobility program in collaboration with the Informatics Institute and Darmajaya business. So that Iib Darmajaya students can have the opportunity to study at UTeM or vice versa UteM students can study at IIB Darmajaya campus

All UTeM international programs are managed by the UTeM International Center (UIC), UIC was previously known as the International Office which was established in 2010.

UTeM alsoFPTT UTeM (Faculty Of Technology And Business Technology Management) UTEM also has several faculties, one of which is FPTT (Faculty Of Technology And Business Technology Management). In FPTT there are various programs, one of which is BTMU, where there is operational management where we conduct an industrial visit to the Sri Solok Enterprise company.



## **1.2. Scope of Time**

This practical work is one of the main tasks during the implementation of the Darmajaya Institute's Informatics student exchange program to Malaysia Technical University Melaka, Malaysia. This report describes one of the operational management tasks that are covered by the FPTT program and the international program owned by UteM. This report discusses the Operations Management of Sri Solok Company, analyzing their operation strategy, swot analysis, product description, facility location, facility layout and management/control.

## **1.3. The Benefits and Purposes of Research**

### **1.3.1. The Benefits**

#### a. Student

1. Improving reasoning for students in problems solving
2. Increase creativity
3. Train a sense of responsibility in completing tasks.
4. Can be a student reference of Management operation

### **1.3.2. The purposes**

For the development of knowledge gained by providing work experience, so that the implementation of practical work can help students to add experience and knowledge about the world of work.

## **1.4. Place and Time of Implementation**

Student mobility program was held on October 10, 2019 to January 14, 2020 at the Faculty of Technology Management & Technopreneurship (FPTT), University of Teknikal Malaysia Melaka (UTeM), Malaysia.

### **1.4.1. Systematic of Writing**

Systematics of writing is made in order to get an overview and facilitate understanding of this report. Systematics of writing in this report can be divided into five chapters with the following systematics:

**1. CHAPTER I : INTRODUCTION**

This chapter is described about background, scope of the research, benefits and purpose of practical work program, place and time of implementation of practical work program, and systematics of writing

**2. CHAPTER II : GENERAL DESCRIPTION OF THE COMPANY**

This chapter is about description of the company, company history, company vision and mission, main line of the business/ activities of the company, company location, and organizational structure.

**3. CHAPTER III : COMPANY PROBLEM**

This chapter discusses the problems faced by the company and how to solve the problems

**4. CHAPTER IV : RESULTS AND DISCUSSION**

This chapter discusses the results of author's analysis regarding the analysis of operations management strategy.

**5. CHAPTER V : CONCLUSION**

This chapter contains conclusion provided by author from the results of the report

## **CHAPTER II**

### **GENERAL DESCRIPTION OF THE COMPANY**

#### **2.1. Company History**

Universiti Teknikal Malaysia Melaka (UTeM) was established on December 1, 2000. It was established under Section 20 of the University and University College Act 1971 (Act 30) under the Orders of Kolej Universiti Teknikal m Malaysia (Incorporated) 2001, then known as Kolej Universiti Teknikal Kebangsaan Malaysia (KUTKM). On February 1, 2007, UTeM went through a rebranding exercise when Kolej Universiti Teknikal Kebangsaan Malaysia (KUTKM) was given a new name as Universiti Teknikal Malaysia Melaka (UTeM). UTeM is the first technical university and the 14th public university listed in Malaysia. UTeM pioneers the “practice and application oriented” teaching and learning methodology for higher technical education in Malaysia. This is in accordance with the government’s decision to cater for high technical-skilled human resource needs of Malaysia’s industries.

UTeM currently operates from three campuses namely the Main Campus, the City Campus and the Technology Campus. UTeM has seven distinct faculties which provide in-depth specialization in engineering, engineering technology, ICT and technology management disciplines along with the Institute of Technology Management and Tecnopreneurship and Centre for Languages and Human Development. The faculties are Electrical Engineering, Electronics and Computer Engineering, Mechanical Engineering, Manufacturing Engineering, Information and Communication Technology, Technology Management & Tecnopreneurship and Faculty of Engineering Technology. The university offers academic programs at Diploma, Bachelor, Masters and PhD levels.

The programmes offered at UTeM are highly specialised. UTeM pioneers and leads in engineering technology programs among Technical Universities in Malaysia or MTUN. Currently, UTeM offers 10 engineering technology programs with the highest student enrolment of 2,600, which also represents 60% of total student enrolment at UTeM. The curriculum is developed closely with industry experts and aligned to the national agenda for Technical and Vocational Education and Training (TVET) to ensure its quality and relevance meet the needs of the thriving industrial sectors and

further produces highly-skilled human resources for the development of Malaysia towards a high-income nation by 2020.

### **2.2.1. UTeM International Center( UIC)**

UTeM International Center (UIC) was previously known as UTEM International Office and has been established since 2010. UIC has participated in many activities with ties of cooperation with universities and other institutions in many countries. UIC works on matters relating to the administrative process of international students to UTEM and university programs that link institutions or universities outside the country. UIC will be a platform for foreign students to start major technical studies and application laboratories at UTEM

## **2.3. Visi dan Misi**

### **2.3.1. Vision**

Universiti Teknikal Malaysia Melaka (UTeM) International Centre (UIC) will be the platform for foreign students to embark on technical higher education and hands-on labs to strengthen and sustain the global reputation of UTeM.

### **2.3.2. Mision**

The main mission of UIC is to strengthen and sustain the global reputation of UTeM, as well as, enhancing the university profile in the international arena through networking and global linkages in academic, research, human capital development and administration

## **2.4. Main Line of Business / Activities of The Company**

Company Name : Universiti Teknikal Malaysia Melaka (UTeM)

Field of Business : Education

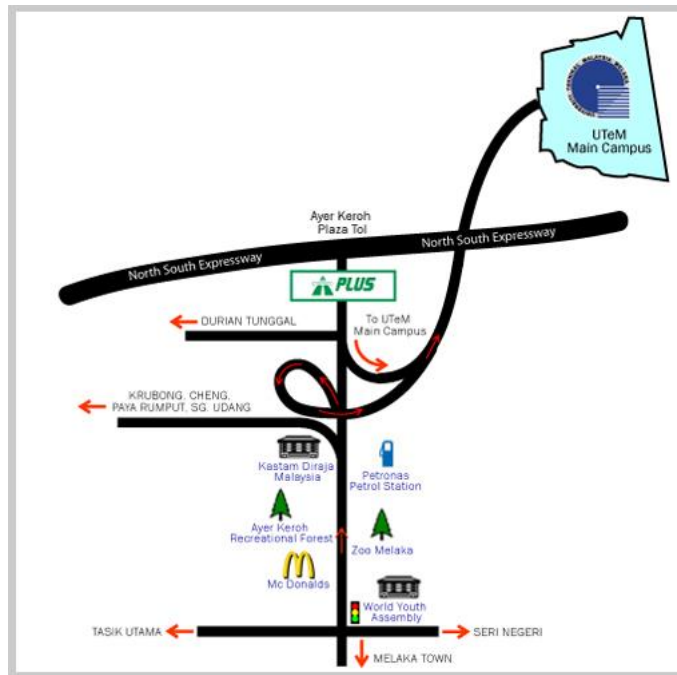
Phone : +606-270-1554

Web Address : <https://uic.utm.edu.my/>

## **2.4. Company Location**

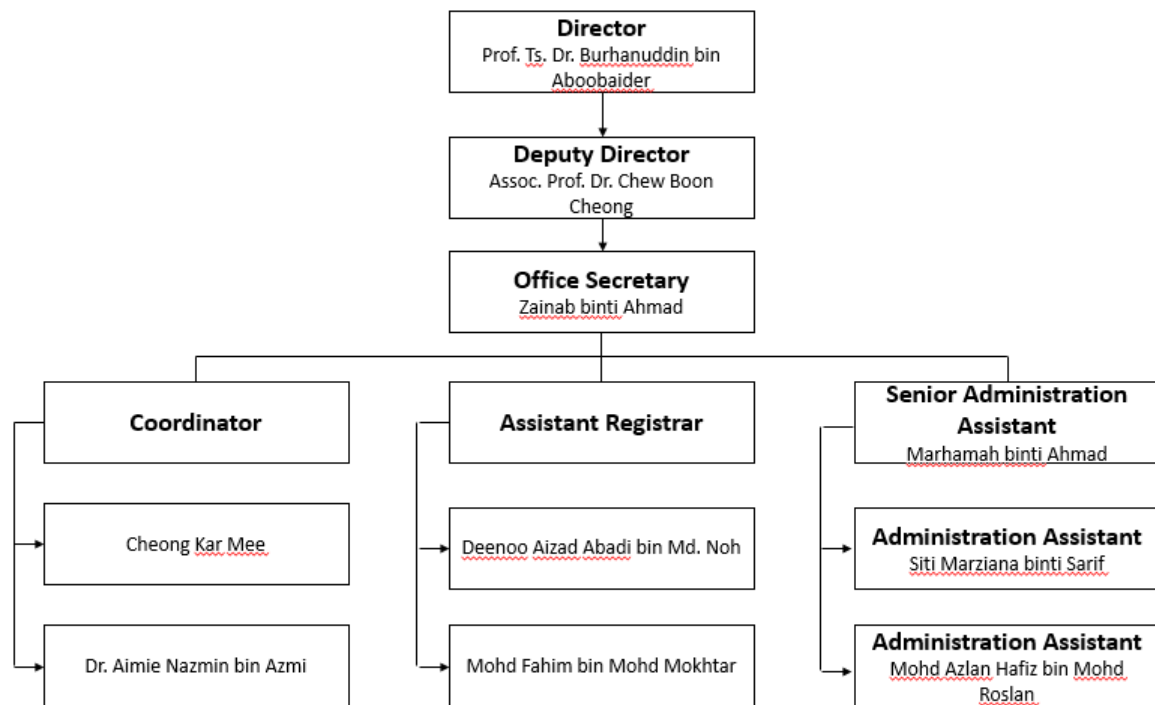
UTeM campuses are located in two different areas. The UTeM Main Campus is located at Jalan Hang Tuah Jaya, 76100 Durian Tunggal, Melaka, Malaysia. Meanwhile, the UTeM Technology Campus is located at Jalan TU62, 75450 Ayer Keroh, Melaka, Malaysia.

Picture 2.1 UTeM Main Campus Location



Picture 2.2 UTeM Technology Campus Location

## 2.1 Organizational Structure



Picture 2.3 UTeM International Centre (UIC) Staff Directory

## CHAPTER III

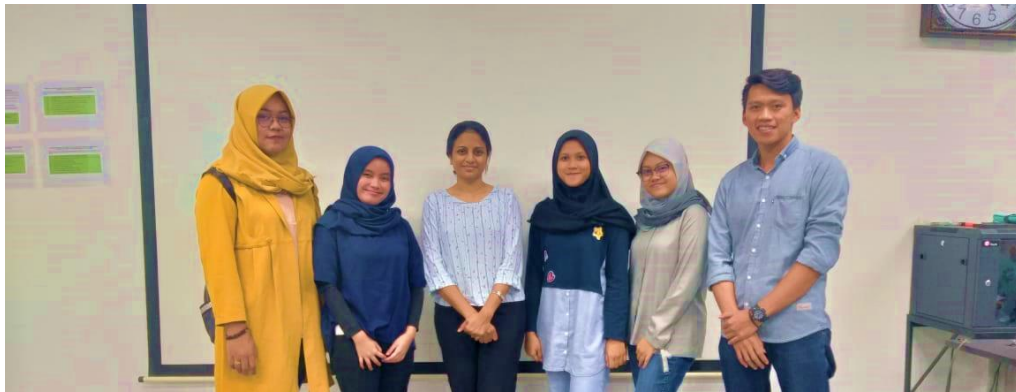
### Company Problem

#### 3.1. Analysis of Company Problem

##### 3.1.1. Problem Finding

This report was made to find out the various activities carried out during the program under the auspices of the UTEM International Center (UIC). One of these programs is the Company Interview Activity which was conducted in Melaka, Malaysia related to the Operations Management course at Universiti Teknikal Malaysia Melaka (UTeM).

Picture 3.1 Photo with Operations Management Lecturer,  
Mrs. L. Ganagambegai



Sri Solok Enterprise is the manufacturer and distributor for its own products. The product being sell are variety type of biscuits and cookies such as *Biskut Kelapa Klasik*, *Biskut Sagun Bakar*, Chocolate Chip Cookies, Mocha Cookies, and Red Velvet Cookies. The bakery are made in a workshop own by the company and it is located in Merlimau, Melaka. Sri Solok Enterprise for the time being does not have any agents or retailer. However, Sri Solok did have their own loyal customer and resellers. During seasonal time, some seller will buy cookies from Sri Solok Enterprise and re-brand it to be sold. Apart from that, Sri Solok Enterprise also accept orders for any events. Sri Solok Enterprise did provide service of making door gift for their customer

### **3.1.2. Formulation of Problem**

This report was made to describe what activities were carried out during the implementation of the Student Mobility program carried out by the Universiti Teknikal Malaysia Melaka (UTeM) International Center (UIC).

### **3.1.3. Problem framework**

Based on the formulation of the problem above, the first step that the author must conduct is to determine the operations management strategy of a company which is Sri Solok Enterprise that includes operations strategy, swot analysis, product description, facility location, facility layout and quality management/control.

## **3.2. Theoretical Basis**

### **3.2.1. Operation Strategy**

Operation strategy is a plan specifying how a business will allocate resources in order to support infrastructure and production. An operations strategy is typically driven by the overall business strategy of the organization, and is designed to maximize the effectiveness of production and support elements while minimizing costs. The potential customers for Sri Solok Enterprise are the person who like biscuits and cookies. Family and students also can be their potential customers as the price are affordable and it can be eaten as snack when they watch television or doing their works. This company also can produce the cookies and biscuit in form of goodies pack or souvenir as requested by the customers. The customer that would buy the product are from among the family and students. The person who are holding an event can also buy this company's product.

In other words, to attract and retain the customers, owner have created good relationship with the customer by contacting them to ask for their feedback and tell them about the promotion or new product available at your company. The potential customer is usually at the nearby area which is Merlimau. The owner can expand the location of customer through online platform, so that they can be known by many persons.

The product being sell are variety type of biscuits and cookies such as *Biskut Kelapa Klasik*, *Biskut Sagun Bakar*, Chocolate Chip Cookies, Mocha Cookies, and Red Velvet Cookies. The product demand will be among the student, teenagers, society, and



person who are handling the goodies for an event. The source of the product is not difficult to find at the grocery store and supermarket. This is because most of the ingredient for the product are easy ingredient, such as flour, sugar, margarine (for cookies) and permitted food colouring (for certain biscuit and cookies). The owner has the skills and experience in this fields.

### **3.2.2. Facility Location of Sri Solok Enterprise**

Facility Location (what the factors affecting the company's location decisions are, how the company plans its location for a new facility, etc.)

### **3.2.3. Facility layout**

According to Wignjosoebroto, S., (2009:67), the layout is a foundation major in an industry. Layout can be defined as the procedure arrangement of facilities to support the smooth operation of them it. The arrangement is by trying to take advantage of the area (space) to place material storage (storage) both temporary or permanent, smooth movement of material, personal workers and so on.

The job of designing a facility usually begins with an analysis of product or service to be provided, and a calculation of the flow general goods or activities. Then move on to planning detail about the arrangement of each workplace, then the relationship between the places work, closely related areas are grouped in one common unit called departments, which then become one final layout (Apple, J.M., 1990: 3).

### **3.2.4. Quality Management/Control**

According to Sofyan Assauri (1993; him221) states: "Quality can be interpreted as a factor contained in an item or result that causes the item or result to be in accordance with the purpose for which the item or result is intended or needed.

### **3.2.5. SWOT Analysis**

SWOT (strengths, weaknesses, opportunities, and threats) analysis is a method for identifying and analyzing internal strengths and weaknesses and external opportunities and threats that shape current and future operations and help develop strategic goals

According to (Kotler & Armstrong, 2008), SWOT analysis is a thorough assessment of the strengths, weaknesses, opportunities and threats of a company. This analysis is needed to determine several strategies that exist in the company. One of the strategies are promotion and product placement strategies. Meanwhile, according to (David,

2008), All organizations have strengths and weaknesses in business functional areas. No company is equally strong or weak in all areas of business.

SWOT analysis is used to compare external and internal factors. External factors consist of opportunities and threats, while internal factors consist of strengths and weaknesses. Quadrant I:

This is a favorable situation. The company has opportunities and strengths so that it can take advantage of existing opportunities. The strategy applied in this condition is to support an aggressive growth policy.

Quadrant II:

Despite facing various threats, the company still has strength internally. The strategy that must be applied is to use strength to take advantage of long-term opportunities by means of a diversification strategy (product/market).

Quadrant III:

The company faces a huge market opportunity, but on the other hand faces several internal constraints/weaknesses. The focus of this strategy is to minimize the company's internal problems so that it can seize a better market (turn around).

Quadrant IV:

This is a very unfavorable situation, the company is facing various internal threats and weaknesses. The focus of the strategy is to take rescue actions to escape from greater losses (defensive).

In the SWOT analysis, a comparison is made between internal and external strategic factors to obtain a strategy for each of these factors, then scoring is done. Based on the results obtained, the focus of the strategy recommendations is then determined.

### **3.3. The Method Used**

The method used in compiling the company's strategic factors is the SWOT matrix. Sri Solok Enterprise SWOT analysis can be further improved by adopting advanced SWOT analysis techniques. The application of advanced SWOT analysis can increase the strategic competitiveness of Sri Solok Enterprise by providing more useful and

detailed information. To do this, it can combine strengths, weaknesses, strengths, threats, weaknesses.

## CHAPTER IV

### RESULT AND DISCUSSION

#### 1.1. Result

##### 1.1.1. Operation Plan

The operation is done at Batu Gajah, Merlimau Melaka whereby the owner built their place to do operation nearby the house. The owner don't rent any shop to do the operation although nearby the house there are a lot of the shop to be rented. The owner want to minimize the cost spending during the production by built their own shop to do the production. This ways it more cheaper than rent the shop that need to spend more for the expenses such as for rent, electric and water usage.

The operation planning start with collected the order from the customer either from the new customer or loyal customers. This order will be analyse by the owner to identify the amount of the raw material that need to be purchase to fulfil the demand of the customers. The production will do by using the batch production that mean the early demand will be done first. It divided to a few batch based on the time of the demand of the products.

<b>Market position:</b>	The products are suitable for those who want to enjoy healthy home-baked snack with non-additives, the products are made up of unique recipe. The owner intends to build up brand awareness and change attractive packaging to gain competitive advantages.
<b>Unique selling position:</b>	The product is 100% home-baked, free from Monosodium glutamate (MSG) and other food additives and preservatives. But it still can last for 3 to 6 months in tasty condition. It is suitable for the teatime snack and snack for festival season. The owner does explore the potential of e-commerce and social commerce which is marketing through Facebook official webpage and Shopee.
<b>Anticipated demand:</b>	The expected quantity of product that customers will likely to purchase is 3 to 5 packets in monthly basis.
<b>Pricing strategy:</b>	Cost-plus pricing- for the customers who buy in less quantity (usually B2C customer who buy 1-2 packets per month) because the owner offers a reasonable price with slightly mark up after

	<p>deducting the cost.</p> <p>Variable pricing- for the customers who buy in bulk (usually B2B customer who buy 5 and above packets per month). The owner will offer a discounted price for the bulk buyer depending on the quantity and the cost of customised packaging.</p>
<b>Value to customer:</b>	The products are suitable for snack for teatime and serve to others during special occasion and festival season.
<b>Growth potential:</b>	From traditional commerce to online platform, plan to make new recipes of biscuits and cookies, therefore the company no give up in R&D.
<b>Market research:</b>	Interview based on the owner's experiences. It was found that B2B customers were the potential customers to the company.
<b>Market targets:</b>	<p>B2B customer segments (Biscuit and Cookies reseller and event organiser); B2C customer segments such as home-baked biscuits lover, students, who buy as door gift for special occasion such as wedding.</p> <p>The company target to sell at least 80 units per month including B2B and B2C customer segments in order to achieve higher gross profit since the break-even units was 60 units.</p>
<b>Environmental scanning :</b>	<p>From the environment scanning that had been done, people tend to find for tasty and "natural" food without food additives and food preservative. People also seeking for home-baked biscuits and cookies rather than machine-manufacture biscuits and cookies. For the competitor, it can be set that still less competitor so far.</p> <p>The growth potential of this business fall within online marketing still available to grow this business as well as new brand image.</p> <p>This business able to fit in healthy snack market.</p>
<b>Customer demographics :</b>	The company intend to market the products within the region of Melaka and Johor since the location of it is located in Merlimau. In order to access to Melaka and Johor market, the company plan to market through online platform. The targeted customers will be resellers, event organisers and students.
<b>Key customers :</b>	The key customers will be the biscuit resellers, online purchasers,

	and bulk buyers who generate abundant sales. To serve the key customers better, the owner willing to offer them variable price, cheaper for buy in bulk.
<b>Customer management :</b>	The owner plan to give new biscuit samples for free when customer purchase more than 3 packets. The cheaper price will also be given to bulk buyer. The owner will responsible for the compensation for replace of the products if customer non-satisfied with the products.

### 1.1.2. SWOT Analysis

	<b>Description</b>	<b>Plan of Action to address</b>
<b>Strengths</b>	Natural, unique taste, variety choice	Keep the home-baked uniqueness and R&D to come out with more choices
<b>Weaknesses</b>	Small customer base, product last maximum 6 month	Using online medium to access to more customer base, bake the biscuit just-in-time
<b>Opportunities</b>	Assess market through E-commerce and social media	Register the Shopee account and open a Facebook official webpage
<b>Threats</b>	Limited production, augmented consumer expectation	Increase workforce by hiring assistant, keep R&D for more flavours

### 1.2. Discussion

### 1.2.1. Operational Strategy

Operation strategy is a plan specifying how a business will allocate resources in order to support infrastructure and production. An operations strategy is typically driven by the overall business strategy of the organization, and is designed to maximize the effectiveness of production and support elements while minimizing costs. The potential customers for Sri Solok Enterprise are the person who like biscuits and cookies. Family and students also can be their potential customers as the price are affordable and it can be eaten as snack when they watch television or doing their works. This company also can produce the cookies and biscuit in form of goodies pack or souvenir as requested by the customers. The customer that would buy the product are from among the family and students. The person who are holding an event can also buy this company's product.

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Sri Solok Enterprise is the manufacturer and distributor for its own products. The biscuits are made in a workshop own by the company and it is located in Merlimau, Melaka. Sri Solok Enterprise for the time being does not have any agents or retailer. However, Sri Solok did have their own loyal customer and resellers. During seasonal time, some seller will buy cookies from Sri Solok Enterprise and re-brand it to be sold. Apart from that, Sri Solok Enterprise also accept orders for any events. Sri Solok Enterprise did provide service of making door gift for their customer. Sri Solok Enterprise will provide the sticker and packaging requested by the customers.

### 1.2.2. Facility Location

Facility Location (what the factors affecting the company's location decisions are, how the company plans its location for a new facility, etc.) Facility Location is the right location for the manufacturing facility, it will have sufficient access to the customers, workers, transportation, etc.

According to (Owen & Daskin, 1998), Facility location is a critical aspect of strategic planning for a broad spectrum of public and private firms. Whether a retail chain siting a new outlet, a manufacturer choosing where to position a warehouse, or a city planner selecting locations for fire stations, strategic planners are often challenged by difficult spatial resource allocation decisions. As populations shift, market trends evolve, and other environmental factors change, the need to relocate, expand, and adapt facilities ensures the evolution of new planning challenges.



Image 4.1 Location UTeM

Source: Google Map

The location of the business is in the residential area at Kampung Batu Gajah, Merlimau Melaka. The facility location is the right location for the plant. It will have sufficient access to clients, staff and transport. Sri Solok Enterprise's overall goal is to please and attract consumers with its products and services. Hence, it becomes necessary for this company to formulate a strategy around its manufacturing unit. A manufacturing unit is the location where all materials such as raw material, machinery,



and labors come together to manufacture the products for customers. Determining the position of the plant is a strategic decision that is critical for business. There are several factors that determine the location of the facility, including rivalry, costs and related effects.

The infrastructure, competition, transportation, manpower, environment and place and business opportunities are major factors influencing a location decision in operations management. The infrastructure of Sri Solok Enterprise is quite small but it fits their material and machineries. But they will encounter problems if they want to expand their premise because the premise will disturb their road side and their house's front yard. The facility already built adequate with the available space. The only option left is to find a new place if they planning and expand their location. Fortunately, there are no existing competitors that could substitute their products in Kampung Batu Gajah. They also want to stay as a small enterprise in their region.

The man power used in Sri Solok Enterprise is not much, only about 5 people maximum. The production process still can be done by one person. So, even with a small place for the manufacturing process, it suits because the production only runs when there are demands for their cookies and they produce them in a moderate quantity. Their labors are low. Next, the environment and place of this company is hidden. The premise is not in an open area so there not many people realize and notice this company location. Sri Solok is well-known in their residential area. Facility sites are chosen closer to the customer to reduce the cost of travel and reduce the time it takes to meet the consumer. Their target area is around their location area so they could deliver their products and their customer could easily reach them.

#### **4.2.3. Facility Layout**

The business opportunity for Sri Solok Enterprise is quite small if they only stick to their area only. Sri Solok should continuously improve their marketing strategy to opportunity for their business which located in urban area. Thus, Sri Solok needs to improve their premise for their production line as demand will also increase as they improve their publicity.

#### **4.2.4. Quality Manajemen Control**

The owner control the quality of the product by make sure the raw material that used has the high quality and long lasting material. The owner make sure that material can

use a long time before it expired. The material that not finished used will be keep at the suitable place to make sure that material will not easy to spoil and can use for long lasting period. The cleanliness of the place of this material also will be caring to make sure this material will not to expose with the pest.

In order to control the quality of the cookies and satisfied the customers, the owner will use the material to produce cookies with the same quantity. This is important to make sure the cookies taste are same with the others. The owner will make sure the taste of cookies is delicious and soft to give the high satisfaction to the customers. This way also trigger the customer be a loyal customer that will repeat to purchasing this product. The product that not very soft will not packaging and it usually not be sell. Owner will give that product to the any person that interesting to get that cookies that not perfectly cooked with soft textures.

## **CHAPTER V**

### **CONCLUSION AND SUGGESTION**

#### **1.3. Conclusion**

Operations Management is very meaningful in the organization because it plays a big position in the business or business system because they produce the highest level of efficiency in the organization. Operations management is also what makes the business successful and achieves excellent results. A manager must look at many aspects when producing products in the industry.

Business owners at Sri Solok Enterprise and workers Knowing the role and work procedures in evaluating and designing a work system consisting of humans and machines

Bread business owners can maintain stability or smooth bakery operations, can maintain stability and smooth bakery operations, so that the bakery can still meet market demand.

Bread owners and workers are able to make improvements to the operator's wrong or less ergonomic work posture. Increase productivity and work performance.

#### **1.4. Suggestion**

After the authors analyze and obtain the conclusions above, the authors advise Sri Solok Enterprise companies to optimize their operations management strategies in order to produce high quality products to have a good impact on output and input. And also expand business opportunities for entrepreneurs in order to assist the government in improving the economy.

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