AN ANALYSIS OF THE EFFECT OF ELIMINATION OF SIX BIG LOSSES ON INCREASING PROFITABILITY IN STEEL ROLLING MILL COMPANIES

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ABSTRACT
Increasing productivity is very important for companies to achieve success in business processes. The concept of Total Productive Maintenance (TPM) has been used in various companies to increase productivity so that production performance becomes more efficient and results in sustainable company profitability performance. In Steel Rolling Mill Company is a capital intensive industry that is 80% of production costs are raw materials and energy, so the successful elimination of Six Big Losses is a key success factor to gain profitability. To analysis the effect of Six Big Losses elimination on productivity, decreasing production costs and increasing profitability is done by evaluating all Six Big Losses indicators through PLS-SEM, the data used are operating performance data of PT. XYZ during the period of 2015 - 2017. From this study revealed that the OEE variable is very significantly influenced by 2 (two) of the 3 (three) constituent indicators namely Availability and Performance, both of these indicators influence: Increased productivity, Decreased production costs and Increased profitability from the company. Priority improvements that must be made by considering competitor data (Benchmarking) are elimination: Breakdown losses (L1), Setup and Adjustment losses (L2), Idling and Minor Stoppages (L3), and Reduced speed (L4)

KEYWORDS: Six Big Losses, TPM, SEM-PLS, OEE & Profitability

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