

## **ABSTRACT**

*PT Venamon is a company engaged in the manufacturing industry that manufactures shoes that have been cooperating with the government in order to meet the needs of PDL and PDH shoes. Production material flow in PT Venamon still not good due to backtracking and causing material handling costs (OMH) is great. Therefore, research is done to improve the process of moving material.*

*OMH conditions existing on the production floor PT Venamon Rp 33.748.122,83 per year. These conditions can still be improved because there is the use of materials handling equipment (MHE) is still less attention to the principles of material handling. In improving the process of moving the material used framework for the selection of materials handling equipment. The framework is the stages to determine MHE proposed improvement and has 10 stages of implementation.*

*This research resulted in improvements proposed replacement between of MHE are less suitable with MHE proposal regard to the principles of material handling. This research also resulted in improvements proposed layout flow is already minimizing the backtracking thus the displacement distance of the material to be reduced from the previous condition. That is one factor to reduce the OMH. The factors that can reduce the OMH is displacement distance, displacement frequency, OMH per meter, OMH support costs. Based on the results of the proposals that have been made OMH proposal smaller than the existing amount of Rp 24.232.623,10 per year.*

*Keyword: Backtracking, Material Handling Cost, Material Handling Equipment, Principles of Material Handling*