

## **ABSTRACT**

*PT Pindad is a manufacturing company under the State-Owned Enterprises (SOEs) that produces military and commercial products. PT Pindad has several warehouses, one of which is Rail Facilities Division's warehouse which stores various raw materials to produce air brake system. Delay happened in storing and picking activity, it causes by searching process. Product allocation randomly by the operator, that causes storage allocation of product are untidy and disorganized.*

*The first step is making a mapping for all business processes and activities that contained in Rail Facilities Division's warehouse using value stream mapping (VSM) and process activity mapping (PAM) to obtain the processing time and the value of each activity. Based on value stream mapping (VSM) and process activity mapping (PAM) obtained order picking activity has the biggest non value added time. Therefore, this research does storage allocation reduce non value added time by classifying using FSN Analysis slotting and zoning to determine the placement area for each SKU based classification.*

*After doing the classification, slotting and zoning, the next step is designing the proposed of the future state map, it can be concluded that delay time decreased up to 22% of 846,26 seconds or 14,10 minttes total process time and increasing in percentage of non value added up to 17%.*

*Keywords: Warehouse, FSN Analysis, Storage Policy, Zoning*