ABSTRACT

This research focuses on the construction department of the company PT. Chitose Indonesia Manufacturing is a manufacturing company to produce a chair with a product category Meeting Chair. Based on observations on the production floor, the construction department is using layout process where machines are grouped into three main processes Pressings, appeal, and shringking. There are some parts that pass through the construction department is back pipe, pipe seat, and leg pipe. Categories meeting chair produced regularly and in large quantities than most other product categories. Problems in the construction department is in addition to the backtracking, irregular material flow, material transfer between the remote machine and supported by the unit load of material handling resulted in a high frequency low

In this research using the method of General Analysis Procedure as a framework to solve the main problems at the company. Data processing is performed for the proposed material handling systems design using Activity Cost Determination.

Activity Cost Determination is a method to define a displacement activity converted into movement costs. The design of the proposed material handling systems has resulted in a system that is more efficient material handling. This can be seen from the efficiency of the total waiting time and transportation decreased by 96,09% and 96.93%. The calculation of the cost of material handling using Activity Cost Determination proposal then obtained material handling cost proposals decreased by 33,01%.

***Keywords**: Material Handling, General Analysis Procedure,Unit load.*