

EVALUATION OF PROCUREMENT FUNCTION MATURITY LEVEL: CASE STUDY OF GOODS AND SERVICES PROCUREMENT FOR SHIP

Alloysius Prima Fajar Nugroho

Department of Management Technology, Sepuluh Nopember Institute of Technology,
Surabaya 60111 Indonesia, E-mail: alloysius.prima@gmail.com

ABSTRACT

Procurement maturity level related to the performance of an organization or company. It is need to be evaluated and improved, so that the performance of the Procurement Function can increased and budget efficiency can be achieved optimally. Currently the Shipping Procurement function at Company A, which is carry out the process of procuring goods and services for ship owned by company still has weaknesses that must be fixed, including lack of monitoring of contracts that already expired, cost savings that should be more optimized, manpower shortage, and so on. The maturity level of Shipping Procurement Function of Company A have never been evaluated this far, so the parameters that need to be improved to increase the procurement performance is not known yet. In this research, an evaluation of the Shipping Procurement Function maturity level will be conducted based on Procurement Maturity Model (PMM) developed by Stephen R. Guth. The evaluation carried out in 8 measurement areas, such as customer, organization, policy, process, staff, tools, values, and vendors, and there were 63 measurement elements in it. Through the gap analysis between current practice and best practice, there will be an existing gap that needs to get recommendations for improvement. The priority of the recommendation for improvement will be determined by Quality Function Deployment (QFD) method through creating House of Quality (HOQ). By knowing the current maturity level of the Shipping Procurement Function and existing gaps based on the PMM method, it is expected that the proper priority recommendations can be obtained for improvement in order to increase the maturity level and performance of the Shipping Procurement Function to fulfill the goods and services needs for ship operational purpose, also to contributing in the cost savings for company.

Keywords: Shipping Procurement Function, Procurement Maturity Model, Gap Analysis, Quality Function Deployment