
Lubricant Distribution Process From Sales to Consumers

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ABSTRACT

The purpose of this study was to determine the lubricant distribution process, to determine the constraints in the lubricant distribution process, to find solutions that can be applied in overcoming the lubricant distribution constraints. The research methodology used is descriptive qualitative which aims to describe the conditions and analyze the Lubricant Distribution Process. In this study, data related to the author's study are sourced from library studies, field studies, and documentation techniques. The results of the research regarding the lubricant distribution process, the authors draw the following conclusions: the lubricant distribution process has several stages as follows: The customer visits the office or sends a PO (Purchase Order) to the Sales team. Then the CS (Customer Service) Team helps the sales team schedule shipments by inputting data according to customer requests into the system. The process of checking data, goods and prices is carried out by the Sales Spv to provide a decision on whether or not the goods and prices will be sold and sent to the customer. If the PO is approved or approved by SPV Sales, the issuance of a travel certificate will appear in the distribution system, but if the PO is not approved, the travel document will not be printed and the price quote will be reviewed to the customer. Constraints in the Lubricant Distribution Process are as follows: lack of delivery fleets, lack of driver discipline, and inappropriate delivery of goods to customers. The solutions are: adding inventory (Distribution Fleet) as needed, giving warnings, guidance, coaching and direction to drivers both inside and outside the company, and accepting returned goods according to company policies and procedures.

Keywords: process, distribution, lubricant

1. INTRODUCTION

In general, companies have the same goals and objectives, namely success in maintaining life. Mastering market share in the long term is important for the company to maintain its survival. To be able to achieve the desired sales target, the company must use a marketing concept that leads to efforts to find out the needs of buyers, so that they can achieve a goal that depends on the determination of management in making decisions so as to ensure the success of the company. One of the supporting factors for the success of a company is how the company distributes and markets its products. Therefore, marketing activities are important for companies, where one of the marketing activities includes distribution channel activities.

Given the importance of the distribution strategy in delivering products to customers, the company must have a good distribution system. No matter how good the product is and no matter how intensive the promotion, without good distribution it is impossible for the product to reach the final consumer correctly. To facilitate the flow of goods and services from producers to consumers, the company carries out marketing activities. The marketing activities themselves include: product planning, pricing, distribution and promotion. One of the most important marketing activities so that the goods produced can be in the hands of consumers is distribution. The purpose of distribution channel activities carried out by the company is to provide convenience for consumers so that they can easily meet their needs. The definition of distribution channel of goods is a channel used by producers to distribute these goods from producers to consumers. Errors in

choosing distribution channels will slow down and even jam the distribution of products from producers to consumers. Companies must be careful in determining the distribution channel that will be used, because the distribution channel affects all other marketing decisions.

The things that need to be considered in the distribution channel are who are the parties involved in distribution activities and which distribution procedures are the most effective applied to the company. Based on the description above, the authors are interested in conducting research on the "Process of Lubricant Distribution".

2. LITERATURE REVIEW

a. Process

According to B. Siwanto Sastrohadi wiryo (2013) in his book entitled Introduction to management, the process is a series of activities that follow each other and systematically to carry out a job. According to Abdul Jalaludin Sayuti (2013), the process is an activity to achieve goals in a company that requires changing inputs into outputs. According to Rudi M. Tambunan in his book Introduction to Business (2013; 60), "The process is a place or activity where inputs are changed or transformed into outputs".

According to Ida Nuraida (2014), the process is a systematic, logical activity that is chronologically sequential and also the process needs to be measurable. According to Zainal Arifin (2014), the process is a change from raw materials to finished goods. According to Martinus Tukiran (2016), a process is a series of interrelated or interacting activities that convert input into output. According to Soewarno Handyaningrat in his book entitled Introduction to the study of Administration and Management Science (2014) "process is something that guides change from an event that develops something that is carried out continuously".

According to Js Badudu and Sutan M in their book Management Introduction Process (2014) is "The course of an event from beginning to end or still running about an act, work and action. According to Harris. In his book Scientific Guide (2014) "The process is a series of systematic steps or stages that are clear and can be done repeatedly to achieve the desired results". According to Siagian in his book Introduction to Economics (2013) "The process is a series that takes place continuously". According to S. Handyaningrat in his book entitled Introduction to study and administration (2013) suggests that "the process is a series of stages of activities starting from setting goals to achieving goals".

From some of the definitions above, the authors conclude that the process is a series of activities that change from input to output sequentially to achieve company goals.

b. Distribution

According to Willem Siahaya in his book entitled Success in Supply Chain Management, "Distribution is a process of delivering finished goods from producers to consumers or users when needed. According to Ricky Martono in his book entitled Integrated Logistics Management "Distribution is the activity of moving goods and services from suppliers to final consumers through distribution channels. According to Tjiptono in his book Manufacturing Process at the company (2015), "Distribution can be interpreted as a marketing activity that seeks to expedite and facilitate the delivery of goods and services from producers to consumers, so that their use is in accordance with what is expanded (type, quantity, price, place and when needed)." According to Griffin and Ebbert (2015) "Distribution channel is a combination of distribution channels to deliver the company's products to end users."

According to Bayu Swastha (2005), "The channel used by producers to distribute these goods from producers to consumers or industrial use". According to Bayu (2015) "Distribution Channels are a group of traders and company agents who combine the physical transfer and name of a product to create benefits for a particular market. According to Winardi in his book Management of Freight Forwarding (2014) "Distribution is a collection of intermediaries that are closely connected with one another in the distribution of products to consumers". According to Daniel in his book Industrial Management (2015) "Distribution is an activity of an organization that aims to facilitate the distribution of goods or services from producers to consumers". According to Alma (2015) in his book marketing applications, "Distribution is a collection of institutions that are interconnected with one another to carry out activities for distributing goods and services so that they are available for use by consumers (buyers)".

From the above definition it can be concluded that the distribution channel is a system whose activities aim to move or distribute products from producers to consumers.

Physical Distribution Activities are composed of 5 Subsystems. The five subsystems are:

1) Goods Processing

Order processing is an activity to collect procedures for processing and carrying out orders. Order processing activities involve taking orders, storing orders and the time required from the time the order is received until the time the goods are received by the customer, making invoices, as well as providing credit and paying bills that are due.

2) Order Control

The level of inventory describes the distribution of satisfaction that affects customer satisfaction. The company certainly wants to have sufficient inventory to fulfill customer orders immediately. The purpose of controlling this goods order is to minimize the amount of investment and a certain amount of shock, so that the company has the right amount of inventory, at the right time and the quality specifications that have been determined so that the company's net is not disturbed.

3) Goods Handling

In every buying and selling transaction, consumers want the provisions on the quality, type and size of the goods to be traded. Then the goods must be handled and packaged according to the experts. So that the distribution of goods is not damaged / not according to consumer demand.

4) Warehousing

Warehousing aims to store goods that have been packaged properly and correctly. Because the distributor bears the risk of both damage and shrinkage of goods, so it needs adequate space for storing goods.

5) Freight

In distribution, it is closely related to transportation as the physical transfer of goods. According to Alex Nitisemito (2016: 213), transportation is a means of physically moving from one place to another. The distance and the way of moving the goods affect the high and low costs incurred and it will have an impact on the size of the profit that is obtained.

There are 2 types of distribution channels:

1) Direct Distribution Channel

In direct distribution, producers make direct transactions to consumers. Advantages of direct distribution: in delivering products to consumers directly so that it does not require costs in distribution and goods can be delivered according to customer satisfaction. Disadvantages of direct distribution:

- a) The price of the product is relatively cheaper
- b) Must deal directly with consumers who have different characteristics.

2) Indirect Distribution Channel

Indirect distribution channels, namely producers distribute their products through intermediaries which are then distributed to final consumers.

Advantages of using indirect distribution:

- a) Producers do not need to use their own products to consumers because they have been assisted by intermediaries.
- b) Producers are just waiting for the results of product sales.

Disadvantages of using indirect distribution channels:

- a) Products that turn out to be damaged are the responsibility of the company.
- b) Increase the cost of paying intermediaries.

There are several factors that affect the distribution, including the following:

1) Market Considerations

Things to consider include consumer or industrial markets, the number of potential markets, order sizes and buyer habits.

2) Product Considerations

Things to consider include unit value, area, size and weight of perishable items.

3) Company Considerations

Which must be considered include the size of the purchase, financial resources, experience and management capabilities, as well as the services that will be provided to consumers.

According to Philip Kotler (2014:129) several functions of distribution channels are:

1) Information

Gather information that is important for planning and streamlining the purchase and delivery of products.

2) Promotion

Spread of persuasive communication about offers.

3) Order

Finding and establishing relationships with potential buyers.

4) Negotiation

Efforts to achieve the ultimate goal regarding price and other matters related to supply

5) Financing

Request and spread of funds to cover funds from these marketing channels.

6) Risk Taking

An estimate of the risks associated with the execution of channel work.

Errors in the selection of distribution channels can result in delays in product distribution to consumers, so that the desired sales results will not be achieved. In choosing the right distribution channel there are several considerations that must be made to the factors that influence it, namely:

1) Product Characteristics

Characteristics that greatly affect the design for example; perishable products require more direct marketing to avoid delays or too much handling.

2) Company Characteristics

Characteristics that also play an important role, for example; the size and financial situation of the company determines which marketing functions can be handled alone and which should be outsourced to intermediaries.

3) Intermediary Characteristics

Characteristics that affect channel design companies must find which intermediaries are willing and able to perform the required tasks.

4) Competitor Characteristics

Characteristics that must be considered by the company when the company wants to design distribution channels.

5) Environmental Characteristics

Characteristics that can affect the design of distribution channels are economic conditions and legal barriers, for example: in an economic depression, producers want to distribute their goods in the most economical way, using the shortest channels and ignoring unneeded services. which will only increase the final price of production.

6) Customer Characteristics

Customer characteristics seen from customer needs, customer tastes and customer purchasing power.

Distribution costs are inseparable and interrelated with sales volume. Whether the company is profit-oriented or not, because the effective and efficient management of physical distribution will affect the increase in company profits and will indirectly increase sales volume. This is also emphasized by Philip Kotler (2014) in his book Distribution Procedures which states that a company can follow six steps to achieve its main goals, namely: company survival, maximizing profits, maximizing sales, pricing to increase sales volume growth.

c. **Lubricant**

According to Adi Soeipto (2012: 24) in his book entitled Pertamina Lubricants, a chemical substance in the form of a liquid that is given between two moving objects to reduce frictional forces on certain machines. For example, motorized vehicle engines or cars, factory machinery, etc.

There are various kinds of lubricant packaging including:

1) Drums

2) Dus

3) Bottle

4) Pail

5) Bulk

6) Tank

3. RESEARCH METHOD

The type of research used is descriptive qualitative research. Descriptive qualitative research is research that is used to analyze data by describing or describing the data that has been collected properly without intending to make generally accepted conclusions or generalizations (Sugiyono, 2012). According to Mukhtar (2013:10) descriptive qualitative research method is a method used to find knowledge of research subjects at a certain time. The writer in this study used descriptive qualitative research because the researcher wanted to know and get the depth of information related to the topic (Sugiyono, 2012). Data collection techniques in this study are observation and interviews. Observations in this study are participant observation. Interviews in this study, namely through semi-structured interviews, the interviewer has prepared a topic and a list of interview guide questions before the interview activity is carried out, researchers need to explore further a topic based on the answers given by participants. Data collected from interviews with informants.

The data analysis model in this study follows the concept of activities in qualitative data analysis carried out interactively and continuously at each stage of the research until it is complete. The components and data analysis in this study are:

a. Data reduction.

The data obtained from the report is quite large, so it needs to be recorded carefully and in detail. Reducing data means summarizing, choosing the main things, focusing on the things that are important, looking for themes and patterns.

b. Data Presentation

After the data is reduced, the next step is to display the data. In qualitative research, the presentation of data can be done in the form of a short, chart, relationship between categories, and with a narrative text. By displaying the data, it will be easier to understand what happened and plan further work based on what has been understood

c. Verification or Data Inference

The initial conclusions put forward are still tentative, and will change if strong evidence is found to support them at a later stage. However, if the conclusions raised at an early stage are supported by valid and consistent evidence when the researcher returns to the field to collect data, then the conclusions put forward are credible conclusions.

4. RESULTS AND DISCUSSION

a. Lubricant Distribution Process

Flow and explanation of the lubricant distribution work process:

1) There are 2 methods or ways to order lubricants, as for the ordering methods that can be done, namely:

a) Direct

To order goods directly, the customer comes to the office. The advantage of this method is that the customer can choose and see the physical condition of the goods as needed. While the disadvantage of this method is that the goods purchased must be transported using a private fleet, unless the customer is willing to wait for delivery. The related documents are travel documents and invoices.

b) Indirect

In this method the buyer is not directly involved in field conditions, the customer simply orders the goods via telephone, email or fax PO (Purchase Order). The related documents include: PO (Purchase Order), travel documents, invoices and tax invoices

2) After the process of ordering lubricants has been ordered by the customer, the next step is the customer service department issues a delivery order so that it can be scheduled for delivery by inputting the lubricant order data into the system. The delivery order that is meant is not in the form of a document, but the results of input that are inputted directly into the system by the customer service team.

3) The next stage is the delivery order that has been inputted by the CSO team, then it will be checked and approved by the Sales Spv. The DO (Delivery Order) that has been approved by the Sales Spv will appear in the distribution system automatically, and then the distribution department can issue a travel letter according to the order of the CS (Customer Service) team. Then the distribution department will sign the travel document and prepare the travel fee and arrange the delivery according to each region. After all the travel documents have been issued, the distribution department checks the system again (DO to DO Realization). This check aims to find out whether there are still documents in the system that have not been realized or have not been issued.

4) After the travel document has been prepared by the distribution department, it is then submitted to the warehouse team for signature and the goods are prepared.

Before the goods leave the warehouse, there are several shipping processes that need to be known, including:

(1) Picking

Picking is the process of preparing goods according to the letter of travel and placing them at a predetermined departure location. This process becomes so important in shipping because it will determine whether or not the goods to be delivered are correct and the goals to be achieved.

(2) Checking and packing

At the departure location, the next process is checking and packing. This process aims to group the order of departure according to the destination area. If the last shipment is the destination, the lubricant goods will be entered first while the first shipment of lubricants will be entered last.

(3) Loading

The loading process is an activity where goods are entered/loaded into the fleet for further delivery to the destination area. In this process, a transaction occurs between the driver and the warehouse, represented by the checker. This is the part that really needs to get great attention because that's when the correctness of the goods and the destination area are determined. The handover process needs to be carried out clearly so that responsibility for problems that arise can be allocated later. Several things that need to be considered in this process include the physical integrity of the goods (not damaged/broken or defective), the quantity and type of the goods are in accordance with the travel documents, the destination is in the correct order of the route and make sure there is a handover sign (initial/name of the driver). and car number and departure time) from the warehouse as well as the correct completeness of the documents.

(4) Vehicle

Preparation of a safe and comfortable vehicle in the delivery of goods, ensure that the vehicle used has a box that does not leak, a secure key and completeness and excellent engine condition. If shipping goods that require special temperature handling shipments, make sure that the temperature thermostat is functioning properly so that the condition of the goods is safe. Problems that often arise in the delivery of lubricants are damage to goods and errors in loading and unloading goods. Damage is often caused by the driver being undisciplined in operating the vehicle, such as applying the brakes suddenly or accidentally passing the vehicle on a potholed road at high speed. The type of damage that occurs to the box lubricant is not only dented, but also wet due to spills or damage in the packaging that is not visible to the eye.

(5) The next stage is the travel document that has been prepared and then handed over to the driver to be signed and sent the goods to the customer. The driver's signature is intended so that when shipping the goods the driver is also responsible for the goods brought.

(6) After the process in the warehouse is completed, the next step is the goods are ready to be shipped

b. Constraints Faced In The Lubricant Distribution Process

The obstacles that occur in the lubricant distribution process are as follows:

- 1) The number of shipments of goods regardless of fleet capacity
- 2) Lack of driver discipline
- 3) There is a discrepancy between the travel document and the goods sent to the customer.

c. Solutions Done To Overcome Obstacles In The Lubricant Distribution Process

The following are some of the solutions that have been carried out to overcome the obstacles mentioned above are:

- 1) Lubricant companies hold inventory of goods (cars/transportation fleets) according to delivery needs.
- 2) Lubricant companies provide guidance, education and training to drivers both inside and outside the company.
- 3) Lubricant companies can accept returns from customers according to company policies and procedures.

5. CONCLUSION

Based on the research that has been done, the authors draw conclusions: The process of distributing lubricants at a lubricant company has several stages as follows: the customer comes to the office or sends a PO (Purchase Order) to the sales team. Then the CS (Customer Service) team helps the sales team schedule shipments by inputting data according to customer requests into the system. The process of checking data, goods and prices is carried out by the Sales Spv to provide a decision on whether or not the goods and prices will be sold and sent to the customer. If the PO is approved or approved by SPV sales, the issuance of a travel document will appear in the distribution system, but if the PO is not approved, the travel document will not be printed and the price quote will be reviewed to the customer.

a. Constraints in the lubricant distribution process at the lubricant company are the lack of a delivery fleet at the lubricant company, the lack of driver discipline, and the inappropriate delivery of goods to customers.

b. The solution to the problems mentioned above is to increase the inventory of goods (distribution fleet) as needed. Conducting reprimand, guidance, coaching and direction to drivers both inside the company and outside the company, and accepting returns of goods according to company procedures and policies.

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