## **ABSTRACT**

The usage of CDMA technology for cellular phone user nowadays has became an economic solution in communications, with its lower cost. Strategy that is broadly used by operators is offering a bundling the handset device with starter pack, no exception for PT. Telekomunikasi Indonesia with its product, Telkom Flexi.

But in the real implementation, there is still a problem in the procurement process. In this final assignment, a solution for the problem will be engineered with an approaching in supply chain management, Vendor Managed Inventory (VMI).

VMI is an approaching in supply chain management where the vendor has a capability to manage inventory level in hand of retailers, based on sales information from the retailers that sent through Electronic Data Interchange (EDI). Therefore, the supporting application will be needed to implement VMI.

Beside a supporting application, VMI also needs an adaptation in shipping schedule of goods, where in existing system the goods are sent based on inventory level at retailers, whereas in VMI implementation, the goods will be sent based on determined periodical time.

Based on financial analysis for VMI implementation, value of Incremental Rate of Return (IRR) can be determined as 31,39% based on 18% of interest rate. It's also gain positive number of Net Present Value (NPV) at the end of fifth quartile (period), as big as Rp. 5,119,000.-. From the values gained form financial analysis, implementation of VMI can be considered as proper infestation.

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**Keyword**: Vendor Managed Inventory (VMI), Supply Chain Management, Electronic Data Interchange (EDI), Incremental Rate of Return (IRR), Net Present Value (NPV).