

CHAPTER V

CONCLUSION AND RECOMMENDATION

This chapter contains the conclusion and recommendation for future research based on the result from the previous chapter. The conclusion will be written based on the purpose of the final project which later can be considered by spare part Retail to improve their business.

5.1 Conclusion

Based on the calculations and analysis that done in previous chapter, the conclusion in this final project are:

1. Spare parts retail efficiency can be measured by variable inputs, such as the size of land, number of delivery, number of employees, and total cost. And also, variable output, namely sales, and a number of customers. These input and output variables have the same contribution in increasing the value of retail efficiency, so it is essential to pay attention to all of these variables to increase the efficiency value retail.
2. Analysis of relative efficiency in spare part retail shows that four retails have reached an efficiency level in 100%, namely DMU 1, DMU 2, DMU 3, and DMU 4 in period one and period two. So that it can be said that retail has been relatively efficient in operating businesses during two periods, while DMU 5 is relatively inefficient.
3. DMU 1 and DMU 3 operate relatively efficiently in two periods, which have efficiency value is 100%. However, in period three experienced inefficiencies with the value 63,56% and 48,18% respectively. It can be said Retail 1 and Retail 3 operates in inefficient scale because the efficiency score in period three less than 100%.
4. DMU 5 was found as inefficient its score efficiency is less than 100% during three periods, so it can be concluded that DMU 5 has not been optimal in running their business. There are still sources of inefficiency in retail.

5. Sensitivity analysis was conducted to know the parameters that have an impact on the efficiency value of the DMU, namely DMU 5 is sensitive if one input variable is omitted. And also, DMU 5 is sensitive if DMU 2, DMU 3, and DMU 4 are removed.

5.2 Recommendation

In this section, there will be some recommendations for the five spare part Retail to help them to improve the efficiency level in their business. The recommendations are:

1. Increasing the efficiency score in retail can be done by a concern to variables that have been suggested to be optimized.
2. The measurement of efficiency score should be done periodically and continuously because the efficiency score based on the input and output variables used. So, the improvements made in each period are appropriate for the existing problems.

