

ABSTRACT

PT. Visi Mandiri Utama is one of many companies which work in manufacture background. The product which produces by this company is vertivert oil. World market always increases their demand on vertivert oil. The opposite with the increasing, some producer are not improving their product capacity, and one of them is PT. Visi Mandiri Utama. Because some of machines at PT. Visi Mandiri Utama are having decreasing symptom, they can only produce small amount with lack of quality.

Free and global competition claim PT. Visi Mandiri Utama for more improving it's company competitiveness in order not to be shoved aside by business competition, this can be done by changing the existing machines with new machines. To do this plan, PT. Visi Mandiri Utama should have preliminary research in order to gathers any aspects which have relation with machine changes. First collect all data; including market data, technique data and financial data. All this data used as an input for replacement analysis.

As a result, economic life of existing machines and new machine can be known and also all the factors that influence the quality of vertivert oil. The economic life of existing machines is 24 years with EUAC value Rp. 59.368.149,- and the economic life of new machine is 41 years old with EUAC value Rp. 58.463.358,- because the lack of harvest land of vertivert plant caused decreasing demand of raw materials. These reasons decide PT. Visi Mandiri Utama to sell existing machines and replace with new machine. As a result from data tabulation and analysis can be concluded that replacing existing machines with new machine is much better because some reason below:

- a. From economic life calculation chapter IV, can be seen that EUAC value of challenger is Rp. 58.463.358,-. Smaller than EUAC value of existing machines. And also have longer economic life than defender machine, at 41 years. It means that by using new machine, annual cost that purchased by PT. Visi Mandiri Utama is smaller than before.
- b. Useful of raw material at same amount can produce much more final product and also with better quality.
- c. Base on processing time with machine, two hours can be saved if the company use new machine on processing raw materials.

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