

## **ABSTRACT**

*PT XYZ is one of the industrial companies engaged in the processing of the forest products in the form of pulp with the main raw material of eucalyptus logs. The vastness of the region marketing of PT XYZ which covers the international scale requires the company to have the ability to manage the product distribution system good. PT XYZ still having problems with its distribution activities to meet each Distribution Center (DC) demand. This indicates the performance of the company distribution system that has not been good in distribution activities.*

*In this study, presented the concept of planning and controlling distribution system by using Distribution Requirement Planning (DRP) method. DRP method is a method that handles the procurement of the product on a distribution networks so as to meet the demand become more optimal. By using DRP method allows company to design a distribution system that integrates each Distribution Center, so as to meet distribution become more optimal. Orders are distributed according to demand and optimal distribution cost.*

*The result of the study resulted in improvements made by company disyribution system obtained better palnning and distribution control result by using DRP method compared with company method. Sevice level improve to 90% of actual conditions which is only 70%, and product procurement cost down by 20,82%.*

*Keywords : Distribution, Distribution Requirement Planning, Forecasting, Safety Stock*