ABSTRACT

This study purpose is correlating SRM framework to build the good basis of VMI, starting from supplier selection to VMI implementation, using study case of PT XYZ – an auto parts manufacturer in Indonesia. Starting from creating conceptual SRM strategy, conducting supplier selection by predetermined criteria, preparing potential SRM partners to be ready in implementing VMI, conducting pilot implementation of VMI, then develop and drafting contract management to be the framework of SRM implementation in PT XYZ. In the result, VMI should be able to work only if the SRM has been applied. Furthermore, VMI and SRM will be sealed and steady by the help of good contract management.

Keywords: *SRM, VMI, Auto-parts Manufacturer, Contract Management*