

## **ABSTRACT**

*PT AGRONESIA INKABA Division is the job order production company that uses rubber as the basic raw material. PT AGRONESIA INKABA Division has problems in raw material inventory which are the lateness of arrival of raw materials and over-subscription of raw materials.*

*The purpose of this thesis is to conduct planning and inventory control of raw materials by comparing the periodic review method and continuous review method in order to minimize total inventory costs. The data used in this study are rubber raw materials data, demand data, lead time data, storage costs data, order cost data, and cost deficiencies data.*

*By processing the data using the Hadley-Within calculation within the periodic review and continuous review method, the total minimum cost of inventories is obtained by using continuous review method. Meanwhile, the optimum safety stock is obtained by the continuous review method, because the safety stock required is only used to dampen fluctuations during the lead time. For the calculation of the time interval of rubber raw material ordering using the periodic review, the order is made at fixed period ( $T$ ) of  $\pm 7$  days.*

*This research also carried out calculations using application. The application is used to simplify the calculations.*

*Keywords : Periodic Review Method, Continuous Review Methods, Hadley-Within Methods, Inventory, Safety Stock, Reorder Point.*