

ABSTRACT

PT. XYZ is a company that provide heavy material. PT. XYZ itself has 6 manufacturing facilities, one of them is Steel Slab Plant 1. Based on this research, one of the problem that contained in the Steel Slab Plant 1 is inventory management in the Finish Good Warehouse or more precisely on Slab Handling Area. The number of inventory in the warehouse is always more than demand then affect to increasing Total Cost Inventory .

The problem in warehouse can be solved with theory probabilistic inventory system Fixed Order Interval. In this research, the calculation use iteration Hadley-Within on FOI method which fixed ordering interval, and size of order varies depend on the number of items in the warehouse during lead time. Calculation performed on 9 types of products that is produced by Slab Steel Plant 1

Based on the method of calculation, inventory management policy are determine quantity of inventory maximum, safety stock, order interval optimum, and Total Cost Inventory also Changing of Service Level

Key Words :

FOI Method, Hadley-Within, Sensitivity Analysis, Multi Item Inventory