

ABSTRACT

PT XYZ is one of the companies in Indonesia engaged in the tea industry. PT XYZ is one of the tea producers in Indonesia that orders raw materials to be able to meet the inventory to be used in the production process. To be able to meet inventory, PT XYZ conducts planning and management of raw material inventory to ensure raw materials for production can be fulfilled properly. Currently, PT XYZ still traditionally conducts inventory planning and has not been equipped with standard standards related to raw material inventory policies. Therefore, the inventory owned is not in line with existing demand. This causes overstock and results in a buildup of goods in the warehouse, so the company has to spend more than budget to overcome the buildup.

The solution that can be provided to overcome the problems that occur at PT XYZ is to design a tea raw material inventory policy using the continuous review method (r, Q). The continuous review method is a control system when inventory reaches the point of reordering or below. By using this method, orders will be placed up to the maximum inventory level that can produce reorder value and optimal order quantities to minimize inventory costs at PT XYZ.

The results of the final project research using the continuous review method (r, Q) are in the form of draft inventory policy results, namely in the form of reorder points and the optimal number of orders that can minimize the total inventory costs at PT XYZ with a total decrease in inventory costs of 22%. In this design, a draft inventory policy for the next period in the future is also produced.

Keywords— inventory, inventory policy, overstock, continuous review method