

ABSTRACT

PT XYZ is a company engaged in the electronics industry. The company has problems in the business process in the management of inventory that is piling up in the warehouse, resulting in budget overruns, because orders do not have controlled standards, resulting in overstock. The study aims to design a lean supply chain using the value stream mapping approach and the continuous review method in designing inventory policies to optimize uncontrolled waste and high costs for storing goods.

Lean supply chain is focused on reducing waste and increasing operational efficiency in the distribution of goods, with the VSM approach to map the value flow from the beginning to the final process flow so that it can identify waste in excess inventory, waiting time, and processes that do not provide added value. This study will analyze demand patterns, optimal inventory levels, and optimal ordering levels. The continuous review method is applied to control excess inventory and minimize storage costs.

The results of this study indicate that with the VSM approach and continuous review, companies can reduce total inventory costs by 59% in priority 1 and 75% in priority 2, as well as improve more efficient inventory management in the supply chain, which includes demand data, lead time data, storage cost data, ordering cost data, shortage cost data, and total inventory cost data.

Keywords: Lean Supply Chain, Inventory, Value Stream Mapping, Continuous Review, Cost Efficiency, and Overstock.