

## ABSTRACT

*Fashion is an industry that reflects the cultural dynamics and social changes of a society. In other words, fashion products include not only clothing, but also various accessories that play an important role in everyday life, such as bags, jewellery and shoes. By utilising the fashion sector which will continue to experience future developments, the author is interested in taking the object of research at the UMKM Adorable Project. Adorable Project is an engaged in the sale of fashion specifically for women. sells a variety of fashion products such as clothes, bags, shoes, and accessories.*

*In carrying out its operations, Adorable Project collaborates with various suppliers so that the supply of goods remains stable and timely in order to maintain customer satisfaction and sustainable business growth. At Adorable Project, there are footwear products that have the largest percentage of total costs, which is 64% of all products sold. Then from footwear products there are five categories, namely heels, boots, sneakers, sandals, and wedges, which in this study the product taken is a product with the highest inventory cost category, namely heels.*

*Growing and unstable consumer demand makes it difficult to manage inventory, this causes the total cost of heels inventory in 2023 to increase. In managing inventory, Adorable Project has not managed properly, which in the procurement process there is no inventory policy which causes stock out. A stock out situation can cause high shortage costs because it cannot meet market demand. In addition to stock out costs, there are also order costs and storage costs that contribute to high total inventory costs. produc orders are placed through the same supplier, but orders for each heel's product are placed separately, which causes the frequency of orders to increase. In addition, orders for heels products are made with a quantity that does not meet market demand every month because of which the company is stocked out. If the stock out condition continues for a prolonged period, the company will experience losses that have the potential to disrupt the company's operations.*

*This final project resolves the stock out problem with the aim of providing a product inventory policy proposal that is expected to reduce total inventory costs. As a result of the unbalanced demand and purchase of heels products in 2023 resulted in excess inventory costs that did not meet the target with a difference of 11%. Therefore, an inventory policy using the Periodic Joint Replenishment method is proposed. This method is used because the products in the Adorable Project are supplied by several suppliers, where one supplier supplies more than one product in one order. In the calculation, lead time data, major order costs, minor order costs, demand data and storage costs are used. The results of this study are inventory policies in the form of review intervals, safety stock and maximum inventory levels.*

*Based on the results of the calculation, it shows a decrease in total inventory costs consisting of components of message costs, storage costs, shortage costs and purchase costs with a decrease in results of 46% from existing conditions. The results of the policy calculation in this study were also able to reduce the cost of shortages by IDR 3,709,723,368.*

**Kata kunci: Policy Inventory, Joint Replenishment, Periodic Review, Stock Out.**