

ABSTRACT

Inventory management is very important for the continuity of production of every company. PT. Berkat Karunia Semesta (BKS), a company engaged in the plywood industry, often experiences scarcity or shortages of raw materials of albasia wood during the coffee harvest season (August-September), due to the intercropping system between coffee and albasia trees in community forests. This causes veneer production to be disrupted or even stopped. The method used to overcome this problem is the Master Production Schedule (MPS) and Flexsim software to provide recommendations for simulation-based production process breeding. Changes in MPS can determine the strategy that can be implemented, namely by compacting veneer production into 10 active months, plus 1 rotary machine and 1 press dryer from the results of the changes so that production increases to 800 m³ per month. Demand in August and September is still met from the final inventory of 2,632 m³ without active production in the two months.

Keywords: *Inventory Management, Master Production Schedule, Flexsim Software*