

ABSTRACT

Inventory is an important aspect in a company because with proper inventory control, a company can obtain profits from the development of its business. Controlling raw material inventory is crucial in maintaining a balance between stock availability, operational costs, and production needs. Every company requires raw material availability as a key factor in carrying out production activities effectively and efficiently to achieve company profits. At BMB Burger Bandung, the company does not yet have a specific method for inventory control; inventory is managed based on estimates, which often leads to excess raw material stock. This study aims to compare the Economic Order Quantity (EOQ) method with the company's policy method in controlling raw material bread inventory for inventory cost efficiency. The results of this study show that the EOQ method can provide the most economical ordering quantity of bread raw materials at 6,622 pcs per order, with a total annual requirement of 359,630 pcs. The ordering frequency is 54 times per year, with an ordering cycle every 7 days. Safety stock is 1,184 pcs, and the reorder point is 2,172 pcs. A decrease in ordering frequency directly impacts cost efficiency by IDR 1,357,614, and inventory is kept at a more controlled amount of IDR 1,357,064, allowing total inventory costs to be reduced to IDR 2,733,218 from the initial IDR 21,100,000, thus the company can save IDR 18,385,322 per year. This indicates that the implementation of the EOQ method is more efficient compared to the company's current method.

Keywords: Economic Order Quantity (EOQ) Method, Inventory Control, Raw Materials, Inventory Cost Efficiency, BMB Burger Bandung.