ABSTRACT

The inventory control of wheat flour raw materials at JNC Cookies in Bandung Regency is still not running optimally because the amount of raw material purchases has not been balanced with production needs. The procurement of raw materials has been carried out based on estimates from the previous period without using accurate calculations, resulting in excess or shortage of inventory. In addition, the company has not implemented an appropriate inventory control method, so the total inventory costs incurred have not been efficient. This study uses the Economic Order Quantity (EOQ) method to compare the inventory control system used by the company with the Economic Order Quantity (EOQ) method in an effort to reduce inventory costs. Based on the research results, the implementation of the EOQ method resulted in a more economical total inventory cost of IDR 8,861,280 with an optimal order quantity of 2,472 Kg per order or 34,608 Kg per year, an ordering frequency of 14 times per year, and a safety stock of 775 Kg. These results indicate that the EOQ method is suitable for implemantation at JNC Cookies, as it can minimize inventory costs compared to the method applied by JNC Cookies.

Keywords : ***Economic Order Quantity (EOQ), Raw Material Inventory, Inventory Cost***