

## ***ABSTRACT***

*PT. NYZ is one of the companies that produce and sell oil / lubricant. Emerging products PT. NYZ was based on several factors namely, the potential development of the industrial sector in Indonesia and increasing the potential of the automotive market (cars and motorcycles) in which the public demand for motor vehicle maintenance is also increasing. PT. NYZ has several regional warehouses in order to meet the demand.*

*The number of products in inventory management, warehouse PT. NYZ Ujungberung does not take into account the amount of inventory properly, causing some of the problems that affect the cost of issuance. The problem that usually arises is where inventories often have overstock, which caused the cost of storage per month.*

*Product demand patterns every month is known, it is probabilistic and based on company policy is known only able to reorder at a certain time. Policies needed inventory method approach Periodic Review (R, s, S) System and Periodic Review (R, S) System to be able to solve the problems of high inventory levels effectively and efficiently. The effort to reduce the total cost of inventory in the system supplies lubricant products for each SKU on the product packaging box is done by applying policies Periodic Review (R, s, S) System and Periodic Review (R, S) System.*

*The results of calculations using the inventory policies using Periodic Review (R, s, S) System will be able to determine the lot size inventory, lowering the total cost of inventory up to 12% lower than the actual total cost of inventory conditions. In addition, the inventory policies Periodic Review (R, s, S) able to push the service level for 1:19% higher than the service level of actual conditions. While using Periodic Review (R, S) System lowers total cost of inventory by 21%, with an increase of 2.68% service level.*

*Keywords: Inventory Policy, Overstock, Inventory Control, Periodic Review (R, s, S) System, and Periodic Review (R, S) System*