ABSTRACT

Husna Swalayan is a company engaged in the field of self-service industry located in the city of Palangkaraya that provides FMCG products. The product inventory contained in Husna Swalayan has not been efficiently controlled, thus making the product inventory overstock. Therefore it is necessary to control the supply of good products on Husna Swalayan in order to minimize the cost of inventory.

Inventory control is performed on food and non food products optimally by first classifying ABC, for category A using probabilistic method of Continuous Review model (s, S) while for category B and C using Continuous Review method (s, Q).

The probabilistic method of the Continuous Review (s, S) and Continuous Review (s, Q) models aims to determine the size of the order, reorder point, and safety stock to control inventory.

Based on calculation result which determining inventory policy using Continuous Review (s, S) method, total cost of inventory cost 13,9% compared to actual condition, while using Continuous Review method (s, Q) obtained total cost savings of 7,20 % Compared to actual conditions in Husna Swalayan

***Keywords:** : Inventory, Overstock, Continuous Review (s,Q), Continuous Review (s,S)*