

## ABSTRACT

In each year of long holiday season, also on Ied Mubarak day, selling of Dodol Picnic always increases because of the large number of significant customers' requests than usual. This causes on production being increased two until three times or about 75%, then its supplies of raw materials need in production will be more than usual. Raw materials supplies to produce Dodol

Picnic to close the holiday season. It's going to be limited from suppliers. In addition, the company never match the amount of raw materials for ordering raw materials not all raw materials can be delivered by suppliers, but some raw materials must be taken directly and the frequency of buying in the company is done hence it causes company's large outcome to cost transportation moreover it causes company has to have anticipation to supply amount of its supplies then it will add raw materials to comply supplies and count of amount cost of the arrangement.

This research uses ABC Analysis method to know the grouping of raw material inventory needed for Dodol Picnic production. Then it uses the Economic Order Quantity (EOQ) model to find out the components and amount of ordering cost, storage cost, total cost of inventory, procurement ratio of raw material with conventional method and using EOQ model.

Based on the results of the research can be seen the classification of raw materials that enter into class A there are 5 types of raw materials, which entered into class B there are 8 types of raw materials, and in class C there are 7 raw materials. Total cost of inventories by conventional method in 2014 amounted to Rp 20,569,373, while using the EOQ method of Rp 4.881.702. Meanwhile total inventory cost in 2015 uses conventional method of Rp.16, 401, 000 and if it uses EOQ method it will be Rp.5, 536, 913. Then, total inventory cost in 2016 using conventional method is Rp 23,591,756 and if it uses EOQ method equal to Rp 5,558,250.

Based on the results of research the company can pay attention to the inventory of raw materials belong to the class A classification for avoiding from its limited supplies of inventory. Because the raw material is classified as a very important raw material. The company can plan the amount of annual requests firstly and apply the Economic Order Quantity (EOQ) method as the calculation of raw material inventory to control the cost of ordering or purchasing, storage cost, and total cost of inventory so that the cost is not too big.

Keywords: ABC Analysis, Raw Material, Economic Order Quantity, Inventory Control, Cost Inventory