

ABSTRACT

The proper management of ordering raw materials is needed by the company to produce the optimal number of goods and spend the minimum cost so that the raw material needs that have been planned are in accordance with their actual usage. This study aims to determine how the management of raw material inventory control using EOQ in the Crystal Collection Company.

The data collection method in this research is by direct observation at Hijab Crystal Collection Company. using techniques such as interviews, observation, and documentation. This observation was carried out in the production report for 2018 - 2019. The analysis tool was carried out using the Economic Order Quantity (EOQ) method such as safety stock, reorder point, and Total Inventory Cost.

The results of the Economic Order Quantity (EOQ) analysis show that the total cost of raw material inventory that must be incurred by the company is greater than the total cost of inventory calculated according to the EOQ method. Companies should follow the calculations from the EOQ method so that they can save on raw material inventory costs, so that production costs are more efficient.

Keywords: raw material inventory control, economic order quantity (EOQ) method, cost efficiency