

ABSTRACT

PT XYZ is a subsidiary of PT Astra International Tbk ("Astra"), one of the largest and leading business groups in Indonesia with a service network reaching various industries and sectors. PT XYZ has been an authorized distributor of Bomag products for the Indonesian market since 1974. As a company that sells *spareparts*, it is very important to maintain a good *stock* of *spareparts* to deal with erratic *demand*. Generally, the problem that occurs at PT XYZ is the accumulation of *spareparts stock* in the *inventory* system. This causes the total *inventory* costs incurred by the company to exceed the predetermined *inventory* cost allocation. The total *inventory* cost that exceeds the *inventory* cost allocation is IDR 48.674.374,49

Based on these problems, it is necessary to classify *spareparts* and propose *inventory* policies to minimize the excess *stock* experienced by the company. In this study, a classification of *spareparts* will be carried out using ABC classification. ABC classification is done to group which parts contribute a lot to *inventory* costs. The *inventory* policy is determined using the *Periodic review* method (R,s,S) and (R,S). The purpose of using these methods is to determine the *reorder* point and maximum level of *inventory* to minimize *overstock*.

After doing the calculations and sensitivity analysis, it was concluded that the company could save a total inventory cost of Rp91,457,845 or 31%. It is also known that the value of storage costs is quite sensitive to the total cost of inventory. If there is a change in the form of increasing or decreasing storage costs, it will have a significant effect on the total cost of inventory.

Keyword — [***Inventory policy, Overstock, Periodic review (R,s,S), Periodic review (R,S)***]