

## ***ABSTRACT***

*By managing procurement well, a company can prevent disruptions in ensuring operations run smoothly. By managing procurement well a company can prevent disruptions in ensuring operations run smoothly. This is important to avoid inventory shortages that can disrupt the production process. Timely procurement and producing quality products can increase customer satisfaction. This study found that companies face the problem of having no inventory policy which leads to high inventory costs.*

*Economic Order Quantity (EOQ) was chosen as the calculation method to obtain the optimal order quantity, purchase frequency, and total inventory cost. The solution proposed in this study is to design a raw material inventory policy that aims to minimize inventory costs. The result of the research is the design of an inventory policy that helps companies in carrying out raw material inventory, safety stock, and reorder point.*

***Keywords - Raw Materials, Procurement, Inventory, Policy, Economic Order Quantity.***