ABSTRACT

PT Telkom Witel Surabaya Selatan faces challenges in managing the inventory of Optical Network Terminal (ONT) devices, where available stock frequently exceeds actual demand. This condition leads to overstocking, increased storage costs, and decreased operational efficiency. To address this issue, this study implements the Continuous Review System (CRS) method, using key parameters including a Reorder Point of 116 units, Safety Stock of 10 units, and Order Quantity of 464 units, with a service level of 99.69%. To support the effectiveness of this method, a sensitivity analysis was conducted on four variables: ordering cost, holding cost, shortage cost, and demand quantity. The results show that demand and shortage cost are the most sensitive factors affecting the total inventory cost, while ordering cost has the least impact. Furthermore, the application of the CRS method successfully reduced the total inventory cost from IDR 408,129,062 (current cost) to IDR 69,830,864.10 (proposed cost), resulting in cost savings of IDR 338,298,197.90 or 82.91%. Therefore, implementing an efficient inventory control system has proven effective in enhancing the company's operational efficiency and effectiveness.

Keywords: *Continuos Review, Overstock, Safety Stock, Optical Network Terminal*