# THE IMPLEMENTATION OF ECONOMIC ORDER QUANTITY IN INVENTORY MANAGEMENT SYSTEM AT PT.INTAN TRIPUTRA ABADI

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#### ABSTRACT

PT Intan Triputra Abadi is a company engaged in the textile trade. The business process at this time there are several problems related to the inventory of goods in the warehouse, namely the number of requests for goods from customers is uncertain every month causing companies to have difficulty determining the right and efficient quantity of ordering goods so as to increase inventory prices so as not to cause a buildup of stock in the warehouse so can increase stock. The company has difficulty in determining the amount of reserves for each type of goods that is appropriate to ask for approval of the stock, excess stock of goods and accumulate for too long causing losses, because capital is not spinning. The company has difficulty in determining the time of ordering goods accordingly. The solution to overcome the problems that exist in this study will apply the Economic Order Quantity method because using this method can determine the optimal number of orders and can save on storage costs and purchase order costs. Based on the results of this study after testing the procurement system using the Economic Order Quantity method, conclusions can be generated that can help provide warehouse managers in determining the amount of inventory for each type of goods suitable for purchase. Helps purchase in the right amount and saves money so that it can save costs and also cause stock buildup in warehouses or out of stock. Assist purchasing in determining the time of ordering goods.

**Keywords** : Inventory, Economic Order Quantity, EOQ, Safety Stock, Warehouse

### 1. INTRODUCTION

PT Intan Triputra Abadi was founded in 1970 which is located in Bandung. Previously the company was named PD Intan, and was engaged in the textile trade. In 2012, after 42 years of existence, PD Intan changed into a new company, PT Intan Triputra Abadi. In running a trading business in the textile sector, this company sells various types of fabrics that are purchased directly from textile factories that produce various types of fabrics from various regions in Indonesia and are resold to various cities, especially the city of Bandung. This company sells various types of fabrics such as serena mas fabrics, grand master fabrics, crk bali rayon print fabrics 44 @ 150 y and various types of fabrics from other textile products to many customers in various cities. PT Intan Triputra Abadi gets direct supply of goods from several supplier factories that produce these textile fabrics. The company has its own warehouse with an area of about 500 m2 and with a storage capacity of up to 1000 roll used to store inventory of goods to be sold and distributed to its customers.

Based on the results of an interview with Operational Manager, the company currently only uses estimates to determine safe stock in the warehouse, if the stock inventory in the warehouse starts to run low, which is where there is only less than 50 meters of inventory left, it will immediately make a purchase order. The process of estimating the number of orders is based on the average previous inventory. Inventory rules at the company at this time every two weeks will be carried out checking of the stock in which this checking is to be able to find out what goods are already depleting stock and if the stock of goods in warehouse depleted it will immediately be ordered to suppliers, where each fabric product has its own supplier according to a mutual agreement between the company and the supplier. In the process of ordering goods to suppliers the company uses a monthly period. Ordering of goods is carried out with the approval of the owner of PT Intan Triputra Abadi, from the business process that has been explained at this time there are several problems that are often faced by the company related to the inventory of goods in the warehouse, such as due to the number of requests for goods from customers who are uncertain every month causing companies to difficulty determining the number of ordering goods

precisely and economically so as to save costs and not cause stock buildup in warehouses or out of stock. The company has difficulty in determining the right amount of inventory for each type of goods to maintain the availability of stock, excess stock of goods and accumulate for too long causing losses, due to capital that is not spinning. The company has difficulty in determining the exact time of ordering goods. For this reason, this research will apply the Economic Order Quantity method because using this method can determine the optimal order quantity and can minimize storage costs and inventory ordering costs. With this method it is expected to be a solution to the problems that are happening at the company.

Based on the description that has been explained above, it is necessary to build an inventory system that is expected to be a solution of the existing problems. Thus the authors intend to analyze and create an Information System entitled "The Application of the Economic Order Quantity Method in Inventory Management Information Systems at PT. Intan Triputra Abadi".

### 2. **RESEARCH CONTENTS**

#### 2.1 Theoretical Basis

Inventory is a general term that shows everything or organizational resources that are stored in anticipation of fulfilling demand. Demand for resources may be internal or external. This includes the supply of raw materials, work in process, finished goods or final products, auxiliary or supplementary materials, and other components that are part of the company's product output. This type of inventory is often referred to as product output inventory (product output), where almost everyone identifies quickly as inventory [3].

#### 2.1.1 Economic Order Quantity (EOQ)

Economic Order Quantity (EOQ) is used to

determine the quantity of inventory orders that minimize the direct cost of storing inventory and the inverse cost of inventory ordering [1]. The commonly used EOQ formula is :

$$EOQ = \sqrt{\frac{2DS}{H}}$$

Where :

D = estimated usage or demand per time period

S = booking fee

 $H = storage \ costs$ 

### 2.1.2 Safety Stock

Safety stock if inventory usage exceeds estimates. Safety stock is an additional inventory held to protect or maintain the possibility of material shortages (stock out)[2].

#### 2.2 Problem Analysis

In accordance with the results of research at PT Intan Triputra Abadi, obtained analysis of the problems, namely as follows:

1. The difficulty of determining the optimal number of goods ordered.

2. Difficult to determine the exact amount of inventory for each type of goods.

3. Difficult in determining the exact time of ordering goods.

#### 2.3 Analysis of the Inventory Management Information System Model

Inventory Management Information System Model is a model that will be used as a picture or flow that will be applied to the process of inventory system. Inventory management information system model can be seen in Figure 2.1.



### Figure 2.1 Model PDCA Inventory Information System

### 2.3.1 Planning Stages (Plan)

At this stage the problem identification and planning of the solution are carried out, the problems found are:

a. The number of requests for goods from customers is erratic every month, causing companies to difficulty determining the number of ordering goods precisely, economically so that it can save costs and does not cause stock buildup in warehouses or stock scarcity.

b. The company has difficulty in determining the right amount of inventory for each type of goods to maintain the availability of stock, excess stock of goods and accumulate for too long causing losses, due to capital that is not spinning.

c. The company has difficulty in determining the exact time of ordering goods.

The solution plan offered for the above three problems is as follows:

a. To determine the right and economic order quantity of goods, the Economic Order Quantity (EOQ) method is used.

b. To determine the amount of inventory of each type of product / product and maintain stock availability, Safety Stock must be determined for each product.

c. To determine the time of ordering goods, by using the safety stock that has been previously determined, if the amount of inventory of a product is below the safety stock of the item / product, then it is used as a time reference for ordering to suppliers with the number of orders as much as the calculation results EOQ for these goods / products.

Inventory data needed to perform the analysis of the method that has been determined is the data of the previous period, namely in 2018. As a sample in the analysis, 3 products are selected as follows:

a. SERENA MAS Fabric - Tosca Color MD 6A.

b. GRAND MASTER Fabric - Black.

c. CRK BALI fabric rayon print 44 @ 150y - Color Red

Data on inventory of goods entering and leaving each type of goods in 2018 can be seen in table 2.1

# Table 2.1 Inventory data in and out of each typeof goods in 2018

| Bulan     | Kain SERENA MAS -<br>Warna Tosca MD 6A |              |               | Kain GRAND MASTER -<br>Warna Hitam |              |              |               | Kain CRK BALI rayon print<br>44 @150y - Warna Red |              |              |               |               |
|-----------|--|--------------|---------------|------------------------------------|--------------|--------------|---------------|---|--------------|--------------|---------------|---------------|
|           | Stok<br>Awal                           | In<br>(Beli) | Out<br>(Jual) | Stok<br>Akhir                      | Stok<br>Awal | In<br>(Beli) | Out<br>(Jual) | Stok<br>Akhir                                     | Stok<br>Awal | In<br>(Beli) | Out<br>(Jual) | Stok<br>Akhir |
| Januari   | 53                                     | 350          | 244           | 159                                | 177          | 200          | 226           | 151   | 198          | 150          | 304           | 44            |
| Februari  | 159                                    | 250          | 341           | 68                                 | 151          | 200          | 295           | 56  | 44           | 200          | 220           | 24            |
| Maret     | 68                                     | 200          | 175           | 93                                 | 56           | 350          | 326           | 80  | 24           | 250          | 155           | 119           |
| April     | 93                                     | 300          | 317           | 76                                 | 80           | 150          | 122           | 108   | 119          | 150          | 163           | 106           |
| Mei       | 76                                     | 350          | 227           | 199                                | 108          | 300          | 195           | 213   | 106          | 150          | 236           | 20            |
| Juni      | 199                                    | 200          | 324           | 75                                 | 213          | 200          | 257           | 156   | 20           | 350          | 157           | 213           |
| Juli      | 75                                     | 150          | 198           | 27                                 | 156          | 100          | 241           | 15  | 213          | 200          | 248           | 165           |
| Agustus   | 27                                     | 200          | 227           | 0                                  | 15           | 150          | 123           | 42  | 165          | 150          | 219           | 96            |
| September | 0                                      | 350          | 189           | 161                                | 42           | 250          | 212           | 80  | 96           | 300          | 264           | 132           |
| Oktober   | 161                                    | 350          | 277           | 234                                | 80           | 350          | 248           | 182   | 132          | 150          | 197           | 85            |
| Nopember  | 234                                    | 300          | 281           | 253                                | 182          | 200          | 189           | 193   | 85           | 200          | 228           | 57            |
| Desember  | 253                                    | 250          | 278           | 225                                | 193          | 150          | 275           | 68  | 57           | 200          | 217           | 40            |
| Total     |  | 3250         | 3078          |                                    |              | 2600         | 2709          |   |              | 2450         | 2608          |               |

#### **2.3.2 Implementation Stages (Do) 2.3.2.1 Determine the EOQ for each product**

In determining the amount ordered at each order, it is necessary to calculate the existing variables. Here are the counts of the variables needed:

a. Booking Fee

Ordering costs are ordering costs associated with trying to get raw materials or goods from outside.

 Tabel 2.2 Ordering Details Details (per order)

| No | Jenis Biaya                | Jumlah (Rp) | Keterangan               |
|----|----------------------------|-------------|--------------------------|
| 1  | Biaya angkut Muat          | 150.000     |                          |
| 2  | Biaya Transport            | 0           | Ditanggung oleh supplier |
|    | Jumlah Biaya Pemesanan (S) | 150.000     |                          |

So from the table above can be obtained the total cost of ordering for one message, which is Rp. 150,000.

b. Storage Fee

Storage costs (carrying costs or holding costs) are costs incurred because the company stores inventory.

Storage costs are obtained from the opportunity cost calculation if if the money that is embedded is saved saved in the bank, and the average bank interest rate as of June 20, 2019 is 6%. (Source: Bank Indonesia) Storage Cost (H) = holding cost (in decimal) x price eachunit

Table 2.3 Risk Details of Storage Costs

|    | (per meter)                         |                    |                    |                           |  |  |  |
|----|-------------------------------------|--------------------|--------------------|---------------------------|--|--|--|
| No | Nama Produk                         | Harga Beli<br>(Rp) | Suku Bunga<br>Bank | Biaya Simpan per<br>Meter |  |  |  |
| 1  | Kain SERENA MAS - Warna Tosca MD 6A | 20.500,-           |                    | Rp.1.230,-                |  |  |  |
| 2  | Kain GRAND MASTER - Warna Hitam     | 18.750,-           | 6%                 | Rp.1.125,-                |  |  |  |
| 3  | Kain CRK BALI rayon print 44@150y - | 34.500,-           | 0%                 | Rp.2.070,-                |  |  |  |
|    | Warma Red                           |                    |                    | -                         |  |  |  |

c. Amount of Demand (Requirement)

Plans for procurement of goods in 2019, based on the demand / needs for each type of goods, namely: Table 2.4 Needs for each item in 2019

| No. | Nama Barang                                    | Kebutuhan Barang |
|-----|--|------------------|
| 1   | Kain SERENA MAS - Wama Tosca MD 6A             | 3250 Meter       |
| 2   | Kain GRAND MASTER - Wama Hitam                 | 2600 Meter       |
| 3   | Kain CRK BALI rayon print 44 @150y - Warna Red | 2450 Meter       |

After doing the calculation as above, the amount of an economical purchase of goods using the Economic Order Quantity method is as follows:

$$EOQ = \sqrt{\frac{2DS}{H}}$$

Noted that :

D = total demand for goods in one year.

S = cost of the message in each message.

H = storage cost each unit.

 Table 2.5 Determine the EOQ of Each Product

| No | Nama Barang                                       | Qty / Pembelian   | Jumlah | Frekuensi Pemesanan             |
|----|---|---|--------|---------------------------------|
| 1  | Kain SERENA MAS - Wama Tosca<br>MD 6A             | $Q^* = \sqrt{\frac{2 \times 3250 \times 150.000}{1.230}} = \sqrt{792.682,9268} = 890.327$       | 890    | 3250: 890.327=3,650<br>(4 kali) |
| 2  | Kain GRAND MASTER - Wama<br>Hitam                 | $Q^* = \sqrt{\frac{2 \times 2600 \times 150.000}{1.125}} = \sqrt{693333.333} = 832.666$         | 833    | 2600: 832.666=3.122<br>(3 kali) |
| 3  | Kain CRK BALI rayon print 44 @150y<br>- Warna Red | $Q^* = \sqrt{\frac{2 \times 2450 \times 150.000}{2.070}}$<br>= $\sqrt{355072.564}$<br>= 595.880 | 596    | 2450: 595.880=4.112<br>(4 kali) |

# **2.3.2.2** Determine the Safety Stock for each product

For the calculation of safety stock that will be used in research that is using statistical methods, in this study it is assumed that the desired level of service for companies and suppliers is the same as 95%, so that the 95% service level has a value of z = 1.64.

The following are the Safety Stock calculations for each product:

1. Safety Stock for SERENA MAS Fabric products - Tosca MD 6A colors

The process of calculating the safety stock of SERENA MAS Cloth products - Tosca MD 6A colors can be seen in table 2.6

# Table 2.6 Calculating Safety Stock of SERENA MAS Fabric Products - Tosca Color MD 6A

| Fabric SERENA MAS - Warna Tosca                                  |        |        |          |  |  |  |  |  |
|--|--------|--------|----------|--|--|--|--|--|
| MD 6A           Month         At         At-SA         (At-SA)^2 |        |        |          |  |  |  |  |  |
| 1  | 244    | -12.50 | 156.250  |  |  |  |  |  |
| 2  | 341    | 84.50  | 7140.250 |  |  |  |  |  |
| 3  | 175    | -81.50 | 6642.250 |  |  |  |  |  |
| 4  | 317    | 60.50  | 3660.250 |  |  |  |  |  |
| 5  | 227    | -29.50 | 870.250  |  |  |  |  |  |
| 6  | 324    | 67.50  | 4556.250 |  |  |  |  |  |
| 7  | 198    | -58.50 | 3422.250 |  |  |  |  |  |
| 8  | 227    | -29.50 | 870.250  |  |  |  |  |  |
| 9  | 189    | -67.50 | 4556.250 |  |  |  |  |  |
| 10   | 277    | 20.50  | 420.250  |  |  |  |  |  |
| 11   | 281    | 24.50  | 600.250  |  |  |  |  |  |
| 12   | 278    | 21.50  | 462.250  |  |  |  |  |  |
| Total  | 3078   |        | 33357    |  |  |  |  |  |
| SA   | 256.50 |        | 2779.75  |  |  |  |  |  |

• Determine Simple Average (SA)

Simple Average =  $\frac{At+At-1+\dots+At-(N-1)}{N}$ 

Information :

SA = *Simple Average* 

A = Actual Requests for the t-period

N = The amount of sales data involved in the calculation

Simple Average =  $\frac{3078}{12}$  = 256,5 Meter

• Determine Standard Deviation (S)

$$STDEV = \sqrt{\frac{\sum_{i=1}^{n} (d-\vec{d})^2}{n}} \\ = \sqrt{\frac{33357}{12}} \\ = \sqrt{2779,75} \\ = 52,72$$

• Determine Safety Stock (SS)

SS (Safety Stock) = Z x s x  $\sqrt{L}$ Information : SS = Safety Stock Z = Service Level 95% = 1.64 s = Standar Deviasi = 52,72

$$L = Lead Time = 1$$
 Month

SS (Safety Stock) =  $Z x s x \sqrt{L}$ = 1,64 x 52,72 x  $\sqrt{1}$ 

x 52,72 x v= 86,466

= 86 Meters

## 2. Safety Stock for GRAND MASTER Fabric

#### products - Black

The process of calculating the safety stock of GRAND MASTER Fabric products - Black can be seen in table 2.7.

Table 2.7 Calculating Safety Stock of GRAND MASTER Fabric Products - Black

| Fabric ( | Fabric GRAND MASTER - Warna Hitam |          |           |  |  |  |  |  |
|----------|-----------------------------------|----------|-----------|--|--|--|--|--|
| Month    | At                                | At-SA    | (At-SA)^2 |  |  |  |  |  |
| 1        | 226                               | 0.25     | 0.063     |  |  |  |  |  |
| 2        | 295                               | 69.25    | 4795.563  |  |  |  |  |  |
| 3        | 326                               | 100.25   | 10050.063 |  |  |  |  |  |
| 4        | 122                               | - 103.75 | 10764.063 |  |  |  |  |  |
| 5        | 195                               | -30.75   | 945.563   |  |  |  |  |  |
| 6        | 257                               | 31.25    | 976.563   |  |  |  |  |  |
| 7        | 241                               | 15.25    | 232.563   |  |  |  |  |  |
| 8        | 123                               | - 102.75 | 10557.563 |  |  |  |  |  |
| 9        | 212                               | -13.75   | 189.063   |  |  |  |  |  |
| 10       | 248                               | 22.25    | 495.063   |  |  |  |  |  |
| 11       | 189                               | -36.75   | 1350.563  |  |  |  |  |  |
| 12       | 275                               | 49.25    | 2425.563  |  |  |  |  |  |
| Total    | 2709                              |          | 42782.250 |  |  |  |  |  |
| SA       | 225.75                            |          | 3565.188  |  |  |  |  |  |

Determine Simple Average (SA)

$$Simple Average = A t + A t - 1 + \dots + A t - (N-1)$$

Information : SA = Simple Average A = Actual Requests for the tperiod

N = The amount of sales data involved in the calculation

Simple Average = 
$$\frac{2709}{12}$$
 = 225.75

• Determine Standard Deviation (S)

$$STDEV = \sqrt{\frac{\sum_{i=1}^{n} (d-d)^2}{n}} \\ = \sqrt{\frac{42782,25}{12}} \\ = \sqrt{3565,19} \\ = 59,71$$

• Determine Safety Stock (SS)

SS ( Safety Stock ) =  $Z x s x \sqrt{L}$ Information : SS = Safety Stock

- Z =Service Level 95% = 1.64
- s = Standar Deviasi = 59,71
- L = Lead Time = 1 Month

SS (Safety Stock) = Z x s x  $\sqrt{L}$ = 1,64 x 59,71 x  $\sqrt{1}$ = 97,923 = 98 Meters

#### 3. Safety Stock for CRK BALI rayon print 44 @ 150y - Red.

The process of calculating the safety stock of products CRK BALI rayon print 44 @ 150y - Red can be seen in table 2.8.

| Table 2.8 | Calculating Safety Stock of CRK BALI |
|-----------|--------------------------------------|
|           | rayon print 44 @ 150y - Red          |

| Kain CRK BALI rayon print 44 @150y -<br>Warna Red |        |        |           |  |  |
|---|--------|--------|-----------|--|--|
| Month   | At     | At-SA  | (At-SA)^2 |  |  |
| 1   | 304    | 86.67  | 7511.111  |  |  |
| 2   | 220    | 2.67   | 7.111     |  |  |
| 3   | 155    | -62.33 | 3885.444  |  |  |
| 4   | 163    | -54.33 | 2952.111  |  |  |
| 5   | 236    | 18.67  | 348.444   |  |  |
| 6   | 157    | -60.33 | 3640.111  |  |  |
| 7   | 248    | 30.67  | 940.444   |  |  |
| 8   | 219    | 1.67   | 2.778     |  |  |
| 9   | 264    | 46.67  | 2177.778  |  |  |
| 10  | 197    | -20.33 | 413.444   |  |  |
| 11  | 228    | 10.67  | 113.778   |  |  |
| 12  | 217    | -0.33  | 0.111     |  |  |
| Jumlah  | 2608   |        | 21992.667 |  |  |
| SA  | 217.33 |        | 1832.722  |  |  |

• Determine Simple Average (SA)

$$Simple Average = \frac{Average}{At+At-1+\dots+At-(N-1)}$$
Information :  
SA = Simple Average  
A = Actual Requests for the t-  
period  
N = The amount of sales data  
involved in the calculation  
Simple Average =  $\frac{2608}{12}$  = 217,33333

• Determine Standard Deviation (S)

$$STDEV = \sqrt{\frac{\sum_{i=1}^{n} (d-d)^2}{n}} \\ = \sqrt{\frac{21992.67}{12}}$$

 $=\sqrt{1832,72}$ = 42,81

• Determine Safety Stock (SS)

SS (Safety Stock) = Z x s x  $\sqrt{L}$ Information : SS = Safety Stock Z = Service Level 95% = 1.64 s = Standar Deviasi = 42,81 L = Lead Time = 1 Month SS (Safety Stock) = Z x s x  $\sqrt{L}$ = 1,64 x 42,81 x  $\sqrt{1}$ = 70,209

= 70 Meters

Based on the calculation above, the Safety Stock values for each product are obtained, as follows:

Table 2.9 Safety Stock for each product

| No. | Nama Produk                                    | Nilai Safety Stock |
|-----|--|--------------------|
| 1.  | Kain SERENA MAS - Wama Tosca MD 6A             | 86 Meter           |
| 2.  | Kain GRAND MASTER - Wama Hitam                 | 98 Meter           |
| 3.  | Kain CRK BALI rayon print 44 @150y - Warna Red | 70 Meter           |

#### 2.3.3 Checking Stages (Check)

To check the economic and optimal value of the EOQ method in determining the number of orders to suppliers, it is carried out with a trial approach using the EOQ method with inventory procurement plans in 2019.

# a. SERENA MAS Fabric - Tosca Color MD 6A

The test results of the cost of inventory of Serena Mas fabric goods - Tosca MD 6A color, the total procurement plan in 2019 is 3,250 meters, the storage cost (H) is Rp. 1,230 / meter, message fee (S) of Rp. 150,000 for one message. If using the EOQ method can be seen in table 2.10.

#### Table 2.10 Calculation of Inventory Cost of Fabric Goods Serena Mas

| Kain SERENA MAS - Warna Tosca MD 6A |                              |                                    |                            |           |                              |           |     |                  |
|-------------------------------------|------------------------------|------------------------------------|----------------------------|-----------|------------------------------|-----------|-----|------------------|
| FREKUENSI<br>PESAN<br>(X)           | JUMLAH<br>PESANAN<br>(Meter) | PERSEDIAAN<br>RATA-RATA<br>(Meter) | BIAYA<br>PEMESANAN<br>(Rp) |           | BIAYA<br>PENYIMPANAN<br>(Rp) |           | BIA | YA TOTAL<br>(Rp) |
| 1                                   | 3250                         | 1625                               | Rp                         | 150,000   | Rp                           | 1,998,750 | Rp  | 2,148,750        |
| 2                                   | 1625                         | 812.5                              | Rp                         | 300,000   | Rp                           | 999,375   | Rp  | 1,299,375        |
| 3                                   | 1083.33                      | 541.67                             | Rp                         | 450,000   | Rp                           | 666,250   | Rp  | 1,116,250        |
| 4                                   | 812.5                        | 406.25                             | Rp                         | 600,000   | Rp                           | 499,688   | Rp  | 1,099,688        |
| 5                                   | 650                          | 325                                | Rp                         | 750,000   | Rp                           | 399,750   | Rp  | 1,149,750        |
| 6                                   | 541.67                       | 270.83                             | Rp                         | 900,000   | Rp                           | 333,125   | Rp  | 1,233,125        |
| 7                                   | 464.29                       | 232.14                             | Rp                         | 1,050,000 | Rp                           | 285,536   | Rp  | 1,335,536        |
| 8                                   | 406.25                       | 203.13                             | Rp                         | 1,200,000 | Rp                           | 249,844   | Rp  | 1,449,844        |
| 9                                   | 361.11                       | 180.56                             | Rp                         | 1,350,000 | Rp                           | 222,083   | Rp  | 1,572,083        |
| 10                                  | 325                          | 162.5                              | Rp                         | 1,500,000 | Rp                           | 199,875   | Rp  | 1,699,875        |
| 11                                  | 295.45                       | 147.73                             | Rp                         | 1,650,000 | Rp                           | 181,705   | Rp  | 1,831,705        |
| 12                                  | 270.83                       | 135.4166667                        | Rp                         | 1,800,000 | Rp                           | 166,563   | Rp  | 1,966,563        |

From the above table it can be concluded to minimize the total cost spent on the inventory of SERENA MAS - Tosca MD 6A colors, with a total of 3,250 meters in a year, if the company applies the EOQ method, the company can place orders with suppliers 4 times with quantity as much 812.5

meters rounded up to 813 meters for each order with a total cost of Rp.1,099,688.

#### b. GRAND MASTER Fabric - Black

The results of testing the value of inventory costs of fabric Grand Master-black, the number of procurement plans in 2019 is as much as 2,600 meters, the cost of storage (H) of Rp. 1,125 / meter, message fee (S) of Rp. 150,000 for one message. If using the EOQ method can be seen in table 2.11.

Table 2.11 Calculation of Inventory Cost of Fabric Grand Master

| FREKUENSI<br>PESAN<br>(X) | JUMLAH<br>PESANAN<br>(Meter) | PERSEDIAAN<br>RATA-RATA<br>(Meter) | BIAYA<br>PEMESANAN<br>(Rp) |           | PENYIN | IPANAN<br>IPANAN<br>IP) | BIAYA TOTAL<br>(Rp) |  |
|---------------------------|------------------------------|------------------------------------|----------------------------|-----------|--------|-------------------------|---------------------|--|
| 1                         | 2600                         | 1300                               | Rp                         | 150,000   | Rp 1   | ,462,500                | Rp1,612,50          |  |
| 2                         | 1300                         | 650                                | Rp                         | 300,000   | Rp     | 731,250                 | Rp 1,031,25         |  |
| 3                         | 866.6666667                  | 433.3333333                        | Rp                         | 450,000   | Rp     | 487,500                 | Rp 937,50           |  |
| 4                         | 650                          | 325                                | Rp                         | 600,000   | Rp     | 365,625                 | Rp 965,62           |  |
| 5                         | 520                          | 260                                | Rp                         | 750,000   | Rp     | 292,500                 | Rp1,042,50          |  |
| 6                         | 433.3333333                  | 216.6666667                        | Rp                         | 900,000   | Rp     | 243,750                 | Rp1,143,75          |  |
| 7                         | 371.4285714                  | 185.7142857                        | Rp :                       | 1,050,000 | Rp     | 208,929                 | Rp1,258,92          |  |
| 8                         | 325                          | 162.5                              | Rp                         | 1,200,000 | Rp     | 182,813                 | Rp1,382,81          |  |
| 9                         | 288.8888889                  | 144.4444444                        | Rp :                       | 1,350,000 | Rp     | 162,500                 | Rp1,512,50          |  |
| 10                        | 260                          | 130                                | Rp                         | 1,500,000 | Rp     | 146,250                 | Rp1,646,25          |  |
| 11                        | 236.3636364                  | 118.1818182                        | Rp                         | 1,650,000 | Rp     | 132,955                 | Rp1,782,95          |  |
| 12                        | 216.6666667                  | 108.3333333                        | Ro                         | 1,800,000 | Rp     | 121,875                 | Rp1,921,87          |  |

From the above table it can be concluded to minimize the total cost spent on inventory of Grand Master Fabrics - Black, with a total of 2,600 meters procurement in a year, if the company applies the EOQ method, the company can place orders with suppliers 3 times with a quantity of 866, 67 meters are rounded up to 867 meters for each order with a total cost of Rp.937,500.

# CRK BALI fabric rayon print 44 @ 150y - Color Red

c.

The results of testing the value of the inventory costs of CRK Bali Rayon Fabric print 44 @ 150y, the number of procurement plans in 2019 is 2,450 meters, the storage cost (H) is Rp. 2,070 / meter, message fee (S) of Rp. 150,000 for one message. If you use the EOQ method can be seen in table 2.12.

# Tabel 2.12 Perhitungan Biaya Persediaan BarangKain CRK Bali Rayon Print 44@150y

| Kain CRK BALI rayon print 44 @150y - Warna Red |                              |                                    |                            |           |                              |           |                     |           |
|--|------------------------------|------------------------------------|----------------------------|-----------|------------------------------|-----------|---------------------|-----------|
| FREKUENSI<br>PESAN<br>(X)                      | JUMLAH<br>PESANAN<br>(Meter) | PERSEDIAAN<br>RATA-RATA<br>(Meter) | BIAYA<br>PEMESANAN<br>(Rp) |           | BIAYA<br>PENYIMPANAN<br>(Rp) |           | BIAYA TOTAL<br>(Rp) |           |
| 1  | 2450                         | 1225                               | Rp                         | 150,000   | Rp                           | 2,535,750 | Rp                  | 2,685,750 |
| 2  | 1225                         | 612.5                              | Rp                         | 300,000   | Rp                           | 1,267,875 | Rp                  | 1,567,875 |
| 3  | 816.6666667                  | 408.3333333                        | Rp                         | 450,000   | Rp                           | 845,250   | Rp                  | 1,295,250 |
| 4  | 612.5                        | 306.25                             | Rp                         | 600,000   | Rp                           | 633,938   | Rp                  | 1,233,938 |
| 5  | 490                          | 245                                | Rp                         | 750,000   | Rp                           | 507,150   | Rp                  | 1,257,150 |
| 6  | 408.3333333                  | 204.1666667                        | Rp                         | 900,000   | Rp                           | 422,625   | Rp                  | 1,322,625 |
| 7  | 350                          | 175                                | Rp                         | 1,050,000 | Rp                           | 362,250   | Rp                  | 1,412,250 |
| 8  | 306.25                       | 153.125                            | Rp                         | 1,200,000 | Rp                           | 316,969   | Rp                  | 1,516,969 |
| 9  | 272.2222222                  | 136.1111111                        | Rp                         | 1,350,000 | Rp                           | 281,750   | Rp                  | 1,631,750 |
| 10   | 245                          | 122.5                              | Rp                         | 1,500,000 | Rp                           | 253,575   | Rp                  | 1,753,575 |
| 11   | 222.7272727                  | 111.3636364                        | Rp                         | 1,650,000 | Rp                           | 230,523   | Rp                  | 1,880,523 |
| 12   | 204.1666667                  | 102.0833333                        | Rp                         | 1,800,000 | Rp                           | 211,313   | Rp                  | 2,011,313 |

From the above table it can be concluded to minimize the total cost spent on inventory of Bali Rayon Print CRK 44 @ 150y type, with a total procurement of 2,450 meters in a year, if the company applies the EOQ method then the company can place orders with suppliers 4 times with quantity as much 612.5 meters rounded up to 613 meters for each order with a total cost of Rp. 1,233,938.

#### 2.3.4 Actions (Act)

This stage is carried out in determining the amount and time of ordering products to suppliers based on calculations using the EOQ and Safety Stock methods. From the data analysis process in the previous stage, we get:

a. The Order Amount for each order to the supplier using EOQ.

# Table 2.13 Number of orders for each order tothe supplier by using EOQ

| Tabel Pengadaan EOQ                           |           |           |          |    |           |  |
|---|-----------|-----------|----------|----|-----------|--|
| Nama Produk                                   | Pengadaan | Frekuensi | Quantity | To | tal Biaya |  |
| Kain SERENA MAS - Wama Tosca MD 6A            | 3.250     | 4         | 813      | Rp | 1.099.688 |  |
| Kain GRAND MASTER - Wama Hitam                | 2.600     | 3         | 867      | Rp | 937.500   |  |
| Kain CRK BALI rayon print 44 @150y - Wama Red | 2.450     | 4         | 613      | Rp | 1.233.938 |  |

b. Safety Stock Amount for each product

#### Tabel 2.14 Safety Stock Amount for each product

| No. | Nama Produk                                    | Nilai Safety Stock |
|-----|--|--------------------|
| 1.  | Kain SERENA MAS - Wama Tosca MD 6A             | 86 Meter           |
| 2.  | Kain GRAND MASTER - Wama Hitam                 | 98 Meter           |
| 3.  | Kain CRK BALI rayon print 44 @150y - Warna Red | 70 Meter           |

EOQ and Safety Stock results can be used to determine the amount and when to place an order. The results can be seen in table 2.15.

# Table 2.15 EOQ and Safety Stock Results to determine the quantity and time of ordering

letermine the quantity and time of ordering

goods

| No. | Nama Produk   | EOQ | Safety<br>Stock | Data Persediaan<br>Terakhir<br>(Desember<br>2018) | Jumlah Rencana<br>Pemesanan<br>(EOQ) | Rencana<br>Persediaan<br>Akhir | Keterangan   |
|-----|---|-----|-----------------|---|--------------------------------------|--------------------------------|--|
| 1   | Kain SERENA MAS -<br>Wama Tosca MD 6A               | 813 | 86              | 225   |                                      | 225                            | Tidak ada<br>pemesanan,<br>persediaan masih<br>aman diatas safety<br>stock |
| 2   | Kain GRAND MASTER<br>- Wama Hitam                   | 867 | 98              | 68  | 867                                  | 935                            |  |
| 3   | Kain CRK BALI rayon<br>print 44 @150y - Wama<br>Red | 613 | 70              | 40  | 613                                  | 653                            |  |

#### 2.3 Database Analysis

Database analysis is an analysis of data sets that are interconnected and stored in a particular storage medium without repetition.



Figure 2.2 E-R Diagram (ERD) of Inventory System

#### 2.4 System planning

The system design will be carried out after the analysis phase of the system has been completed.

#### 2.4.1 Skema Relasi

Relation scheme that will be built on the system based on data and application requirements are as follows:



Figure 2.3 Relation Schema

#### **2.5 System Implementation**

At the implementation stage the system is the software development stage, and the ongoing stage of system design activities. This stage is the stage where the system must be ready to run.

#### 2.5.1 Interface Implementation

In the implementation of the interface that is carried out in every appearance that is in the program being built and then in the coding that is using the form of program files.



Figure 2.4 Display Login

| enda      | daan Persed         | iaan (EOO)                                |             |             | Ŵ          | Setup           | ust 9th 201 |
|-----------|---------------------|---|-------------|-------------|------------|-----------------|-------------|
|           |                     | ()  |             |             |            |                 | parts pri   |
| B Pengada | an Dengan Tabel EOQ |   |             |             |            | Search:         |             |
| No. 0     | Kode Produk         | Rama Produk                               | Pergedaan 0 | Freksenst 0 | Quantity 0 | Total Biegs 0   | Akei 0      |
| 1         | P0001               | Kain Serena Has - Warna Tosca MD 6A       | 3,250       | +           | 813        | Rp 1,099,687.50 | 1           |
| 2         | P0012               | Grand Haster - Warna hitam                | 2,600       | 3           | 867        | Rp 937,500.00   | 1           |
| 3         | P0013               | CBC Ball Rayon Print 64 @150y - Warna Red | 2,450       | 4           | 613        | Rp 1,233,037.50 | 1           |
| 4         | P0004               | Cotton Twill 30s                          | 0           |             | 0          | Rp 0.00         | 1           |
| 5         | P0015               | Karwas Hotif                              | 0           |             | 0          | Rp 0.00         | 1           |
| 6         | P0005               | 0re 1                                     | 0           |             | 0          | Rp 0.00         | 1           |
| 7         | P0017               | Combed                                    | 0           |             | 0          | Rp 0.00         | 1           |
| 8         | P0008               | Kabun Kayan                               | 0           |             | 0          | Rp 0.00         | 1           |
| 9         | P0029               | Katun Dabity                              | 0           |             | 0          | Rp-0.00         | 1           |
| 10        | P0018               | Katur Park                                | 0           |             | 0          | Rp 0.00         | 1           |

Figure 2.5 Display of the Inventory Plan

| Dashboard | 🐺 Purchase Or  | der 🐺 Transaksi Penjua | alan 🚯 Data Mad  | ter                             |                     |                      |                              |
|-----------|----------------|------------------------|------------------|---------------------------------|---------------------|----------------------|------------------------------|
| urcha     | ase Orde       | er                     |                  |                                 |                     | iii AL               | igust 9th 201<br>04:42:11 pm |
| Daftar I  | Purchase Order |                        |                  |                                 |                     |                      |                              |
|           |                |                        |                  |                                 |                     | Search:              |                              |
| No. 0     | No.Pembelian 👻 | Tanggal Pembelian 0    | Total 0          | Supplier 0                      | Status Penerimaan 0 | Tanggal Penerimaan 0 | Aloi o                       |
| 1         | PD-290619-0012 | 01 Jul 2019            | Rp 13,587,500.00 | PT, Sari Warna Textle Industry  | BELUM OTTERINA      |                      | ۹ 🙃                          |
| 2         | PO-290619-0011 | 21 Juni 2019           | Rp 10,675,000.00 | PT. Sari Warna Textile Industry | SUDAH DITERINA      | 01 Jul 2019          | ۹ 💿                          |
| з         | PO-290619-0010 | 20 Md 2019             | Rp 16,950,000.00 | PT. San Warna Textile Industry  | SUDAH DITERINA      | 21 Juni 2019         | ۹. 🙃                         |
| 4         | PD-290619-0009 | 19 April 2019          | Rp 23,425,000.00 | PT, SariWarna Textle Industry   | SUDAH DITERINA      | 20 Mai 2019          | ۹. 💿                         |
| 5         | PO-290619-0008 | 18 Mar et 2019         | Rp 11,150,000.00 | PT. Sari Warna Textle Industry  | SUDAH DITERINA      | 19 April 2019        | ۹ 😁                          |
| 6         | PD-290619-0007 | 17 Februari 2019       | Rp 9,187,500.00  | PT. Sari Warna Textle Industry  | SUDAH DITERINA      | 18 Maret 2019        | ۹. 😖                         |
| 7         | PD-290619-0006 | 16 Januari 2019        | Rp 15,687,500.00 | PT, SariWarna Textle Industry   | SUDAH DITERINA      | 17 Februari 2019     | ۹. 😖                         |
| 8         | PD-290619-0005 | 15 0 esember 2018      | Rp 15,625,000.00 | PT, Sari Warna Textile Industry | SUDAH DITERINA      | 16 Januari 2019      | ۰ ا                          |
| 9         | PD-290619-0004 | 14 November 2018       | Rp 11,787,500.00 | PT, Sari Warna Textle Industry  | SUDAH DITERINA      | 15 Desember 2018     | ۹ 😁                          |
| 10        | PO-290619-0003 | 13 Oktober 2018        | Rp 20,537,500.00 | PT. Sari Warna Textle Industry  | SUDAH DITERIMA      | 14 November 2018     | ۰ ک                          |

Figure 2.6 Display Purchase Order

## 3. COVERING

#### **3.1 Conclusion**

Based on the results of research that has been done using the blackbox technique, where testing is done by beta testing the Inventory Management Information System software Using the Economic Order Quantity Method, the conclusions obtained are:

1. This inventory system can assist warehouse managers in determining the exact amount of inventory for each type of goods to maintain stock availability.

2. This inventory system can help purchasing in determining the number of orders precisely and economically so as to save costs and not cause stock buildup in warehouses or stock scarcity

3. The new inventory system can help purchasing in determining the time of ordering goods.

#### 3.2 Recommendation

Of all the results achieved at this time, of course there are still deficiencies that must be corrected or added. Suggestions for using the system that have been made are as follows:

It is necessary to have a barcode printing feature which will later be affixed to items to be sold or stored in warehouses and is useful for the inventory of data collection processes.

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