

Implementation of the Economic Order Quantity (EOQ) Method in Controlling the Supply of Wheat Flour Raw Materials at Herda Cake in Jember Regency

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ABSTRACT

Herda Cake is a company operating in the staple food industry which focuses on producing complementary foods such as cakes (pastry). However, in the production process, control of the raw materials used, namely wheat flour, is not carried out in a structured manner, because the company still uses assumed or conventional methods. Unstructured control of raw materials can result in over stock of raw materials. Based on these problems, it is necessary to control raw materials using the Economic Order Quantity (EOQ) method at Herda Cake. Controlling the inventory of wheat flour raw materials at Herda Cake shows that the company has to incur inventory costs of Rp. 3,158,030 in 2022 and Rp. 3,161,670 for 2023. However, by using the EOQ method the company only needs to incur inventory costs of Rp. 674,536 in 2022 and Rp. 676,221 in 2023. So that in 2022 the company will have savings of Rp. 2,483,494 and in 2023 it will be Rp. 2,485,449.

Keyword: EOQ, Flour, Raw Material, Herda Cake