

## **ABSTRACT**

*This study aims to determine the application of the Just in Time method in controlling raw material inventory and can increase Cost efficiency in Udon Making at PT. Marugame Udon Podomoro. The supply of raw materials for making udon in the form of Sriboga Ninja Flour, Starch Flour, and Salt which are sometimes very minimal in the warehouse, causes the factory to have to reduce the amount of production capacity. There are times when the supply of raw materials that are too much enters the warehouse, causing excess inventory in the warehouse. This can cause high costs incurred such as maintenance costs or damage to raw materials due to storage of raw materials that have an expiration date. Problem solving in inventory planning is carried out using a statistical inventory control method, namely Just in time (JIT). From the calculation results, it can be seen that the more inventory is stored in the warehouse, the greater the storage costs incurred. The more frequent orders are made, the greater the order costs incurred, so on the other hand, the storage costs will decrease so that a method is needed to optimize between order costs and storage costs to get the lowest inventory costs. The storage costs incurred based on the calculation of the actual conditions of the company for one month are Rp 164,286,720. From the calculation results obtained using the Just In Time method for one month Rp 105,946,780. From the calculation results, it can be seen that the more inventory is stored in the warehouse, the greater the storage costs incurred. The more frequent orders are made, the greater the order costs incurred, so on the other hand, the storage costs will decrease so that a method is needed to optimize between order costs and storage costs to get the lowest inventory costs.*

**Keywords: Control, Raw Materials, Order Costs, Storage Costs, Just In Time Method**