

## **ABSTRACT**

*The inventory of raw materials is the first step for an industry to start production. Good raw material inventory management needs to maintain its quality and availability for production. At the synthetic raw material warehouse of PT Green Gloves Indonesia, there is still a buildup and out of stock due to the amount of orders that are too large and delays in ordering. There needs to be improvements in determining the number of orders and the time to order raw materials again.*

*Some methods that can overcome these inventory problems are the continuous review method and the kanban method. These two methods will be compared to determine which results are the most optimal for the company with minimal inventory costs. On the one hand the continuous review method will find a more optimal order number and the point in time when to order again. Meanwhile the kanban method will put more pressure on the amount of inventory by sending a lot of raw materials.*

*From the results of the calculation of the two methods obtained that by applying the kanban method it will produce the most minimal inventory costs for the company. Kanban method is considered better than the continuous review method. Reducing inventory costs can reach Rp 211.000,00 or 36% of what has been applied by the company from the initial amount of Rp. 589,720.00 to Rp. 378,720.00.*

**Keywords:** *management, inventory, continuous review, kanban*