

ABSTRACT

Inventory management is one of the most crucial aspects of supply chain management. Uncontrolled inventory, particularly in the form of overstock, can result in increased storage costs, the risk of expired or damaged goods, and reduced warehouse space efficiency. Adorable Project has a warehouse as a storage facility for goods located in Cimahi City, where issues such as inventory exceeding capacity by 58% frequently occur. This is caused by an imbalance between inbound and outbound flows due to orders that are not yet accurately quantified. To address these issues, an effective inventory system is required, and the author proposes the implementation of Vendor Managed Inventory (VMI). VMI (Vendor Managed Inventory) is a well-known inventory management tactic that involves collaboration between vendors and retailers, balancing the benefits of supply chain members by sharing information. A key decision in VMI is determining when and how much inventory should be replenish. The primary goal is to reduce relevant costs such inventory costs. VMI, or Vendor Managed Inventory, is a supply management practice where the supplier or manufacturer is responsible for maximizing the inventory held by the distributor. The VMI process involves collaboration between the supplier and the customer to manage inventory more efficiently. The research methodology involved literature review, identification of the research object (Adorable Project), use of the VMI conceptual model, collection of primary and secondary data, data grouping, and analysis and improvement processes. After implementing VMI, there was a significant reduction in overstock, which also led to a decrease in inventory costs.