CHAPTER 8
CONCLUSION

After conducting two solution model for inventory policy with decreasing demand problem by using some lot sizing technqtes in Microsoft$^{©}$ Excel, the conclusions of this research are drawn.

a. Decrasing demand problem becomes important to be solved in order to minimize the total cost from ordering and holding cost because of over number of order and inventory.

b. Decreasing demand problem for dependent demand characteristic can be solved by using Material Requirement Planning approach with lot sizing techniques.

c. The characteristic of decreasing demand problem can be seen from the demand trend with decreasing pattern and follows Exponential distribution.

d. Solution model 1 with Lot for Lot technique for HGAs and 5 different lot sizing technique for Suspensions represents that Incremental method provides the lowest total cost.

e. Solution model 2 with 5 different lot sizing technique for HGAs and Suspensions represents the same result, Incremental method provides the lowest total cost.

f. The appropriate lot sizing technique for decreasing demand problem is Incremental method. This method attemps to make the ordering cost and holding cost remain equal per period of time.

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