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PT. Nalco Indonesia Energy services division as emphasis on environmental leadership; PT. Nalco Indonesia is a principal supplier of specialty chemicals and applications for the oil exploration, production, refining and chemical process industries. For over 15 years, Nalco has offered value-driven solutions for both upstream and downstream markets within the hydrocarbon industry.

The aim of this thesis was to reduce the inventory of raw, semi finished and finished material stock lines within an Indonesian Energy services manufacturing company.

The investigation examines the topics of demand/supply chain alignment, product range management, and demand & inventory planning. Demand & inventory planning is split into forecasting and replenishment methods.

An examination of the replenishment methods of stock line materials found too many materials using manual safety stock, with the safety stock levels set more by personal feeling than demand and inventory planning science. Making changes to the replenishment methods at three of the largest Indonesian sites delivered safety stock reductions of the order of four hundred thousand Euros. This value equates to a reduction of eight percent of the stock line inventory at the three sites. The portion of stock line inventory that used to be replenished by manual safety stock was reduced by nineteen percent. Further reductions to stock line inventory are possible at the rest of the Indonesian sites, using the same methodology.

Beyond the adjustments made to the use of the replenishment method of manual safety stock there are several further ways to reduce the stock line inventory.
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