

MINIMIZATION OF THE TOTAL COST BY ADOPTING INVENTORY PROCESS

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Abstract

This literature has provided an insight into how the overall optimization of the total cost by including the cost of the WIP and the result differs from the traditional optimization approach to the total cost of the inventory. The result of our study is convincing yet enlightening. Enlightening, as it not only endorses the JIT manufacturing system but also attest that the WIP's cost has to be considered while calculating the total annual cost of the inventory. This gives an economic insight of the total annual cost of the inventory.