

In-Class Assignment

Ordering Policies

Preparation

Customer Order

To complete all tasks you will need these three apps – please run them in four different tabs and leave them open:



Create a sales order for 100 scissors (Sxx991) as shown in the case study file.

Before saving please double-click on the item.

<input type="checkbox"/>	Item	Material
<input type="checkbox"/>	10	S53991

Now you have opened the item data. Click on **Schedule lines**.

Here you can distribute the total amount on various dates/deliveries. Please schedule the total amount of 100 pieces on two delivery dates, one with 30 and one with 70 pieces. Please leave **one month** time between them.

For example:

Quantities/Dates			
<input type="checkbox"/>	...	Delivery Date	Order Quantity
<input type="checkbox"/>	D	15.02.2019	30
<input type="checkbox"/>	D	15.03.2019	70

When you hit Enter, the availability control pops up – click on the green button in the lower right corner:

Standard Order: Availability Control

One-time delivery Complete div. Delivery proposal ATP quantities Scope of check More ▾

Item: 10 Sched.line: 1

Material: S53991

Schere

Plant: 1010 Plant 1 DE

Req.deliv.date: 15.02.2019

End lead time: 08.02.2019

☐ Fix Qty/Date

Requirement Segment:

Open Quantity: 30 PC

Max.Part.Deliveries: 0

One-time del. on req. del. dte

Dely/Conf.Date: 15.02.2019 / 15.02.2019 Confirmed Quantity: 30 ✓

Complete delivery

Dely/Conf.Date: 15.02.2019 / 15.02.2019 ✓

Dely proposal

Dely/Conf.Date: 15.02.2019 / 15.02.2019 Confirmed qty: 30 ✓

Save.

Before starting with task 1, run an MRP run for the finished material (Sxx991) as shown in the case study file.

1 Task:

Check out the first raw material (Sxx771) in the app: [Monitor Material Coverage](#)



You will see that there are two purchase requisitions, one for 30 and one for 70 right blades – they were created by the MRP.

S53771

-30
PC

Right Blade

Plant 1010

1 day overdue

S53771

-30
PC

Right Blade (Plant 1010)

1 day overdue

STOCK/REQUIREMENTS LIST

MATERIAL INFORMATION

NOTES

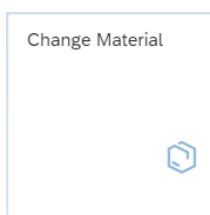
Stock/Requirements List (1 Shortage)

Shortage Definition

MRP Standard

Date	MRP Element	Additional Information	Quantity (PC)	Available (PC)
	Stock	No Safety Stock	0	0
01.02.2019	DepReq 465-1	S53881	30	-30
11.02.2019	PurRqs 10000607-10	Not yet specified	30	0
01.03.2019	PurRqs 10000608-10	Not yet specified	70	70
01.03.2019	DepReq 466-1	S53881	70	0

- Leave the stock and requirements list open and open the app [Change Material](#) in an additional tab.



- Please change the minimum lot size in the view MRP1 in the materials master data for this material to 100 and save.
- Then rerun the MRP run for this material directly in the stock and requirements list:

Materials (1)

Search

S53771
Right Blade
Plant 1010

processed

Material Details

S53771
Right Blade (Plant 1010)

-30 PC
1 day overdue

STOCK/REQUIREMENTS LIST MATERIAL INFORMATION NOTES

Stock/Requirements List (1 Shortage)

Shortage Definition: MRP Standard

Date	MRP Element	Additional Information	Quantity (PC)	Available (PC)
	Stock	No Safety Stock	0	0
01.02.2019	DepReq 465-1	S53881	30	-30
12.02.2019	PurReq 10000650-10	Not yet specified	30	0
01.03.2019	PurReq 10000651-10	Not yet specified	70	70
01.03.2019	DepReq 466-1	S53881	70	0

Start MRP Run Open...

- Refresh the stock requirements list – what happens and why?
- Make a screenshot and explain a little bit.

2 Task:

- Go back to the materials master and delete the minimum order quantity.
- Instead, set the safety stock to 100.
- Go back to the stock and requirements list and rerun MRP.
- What happens? Make a screenshot and explain.

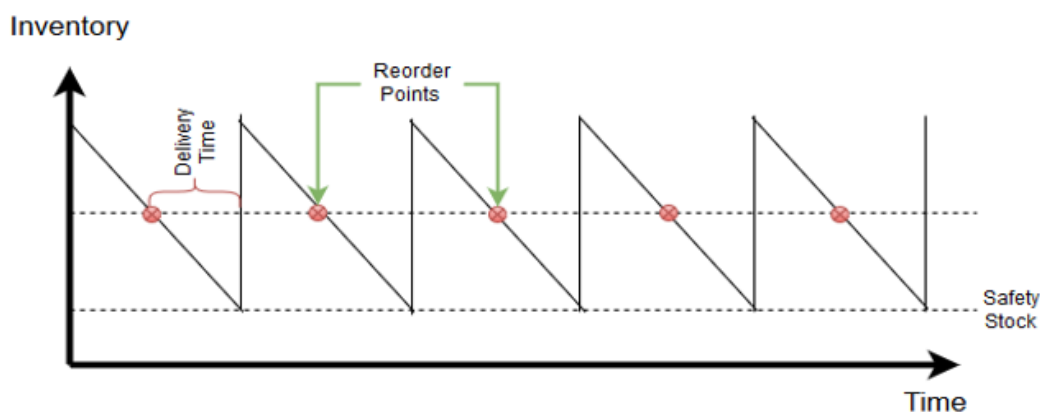
3 Task:

The right and left blade (Sxx771 and Sxx773) are materials which have very high holding cost as the premium metal needs special warehousing facilities, therefore, we order them lot for lot as we did in the case study. Please make sure this is the case now.

However, handles and screws (Sxx772 and Sxx774) have rather low holding costs and, in order to decrease supply risk, we want to implement Reorder Point Planning with a Fixed Order Quantity.

Please assume a constant demand and production. The average lead time of our supplier is 4 days. Our average demand per day is 10 scissors. The safety stock should be enough for 3 days of demand. The order quantity should reach 2,5 times the average lead time.

Calculate safety stock, reorder point and lot size and, in consequence, implement the reordering policy for handle and screws. Make a screenshot of the implementation in the materials master (for all four externally procured materials) and explain what happens in the stock and requirements list when rerunning MRP.



Please note that the figure's proportions do not reflect the actual example given here.