# In-Class Assignment
# Ordering Policies

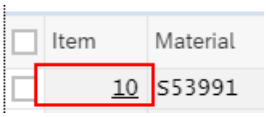
# Preparation

## 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.

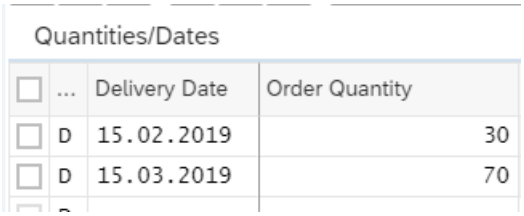
Before saving please double-click on the item.



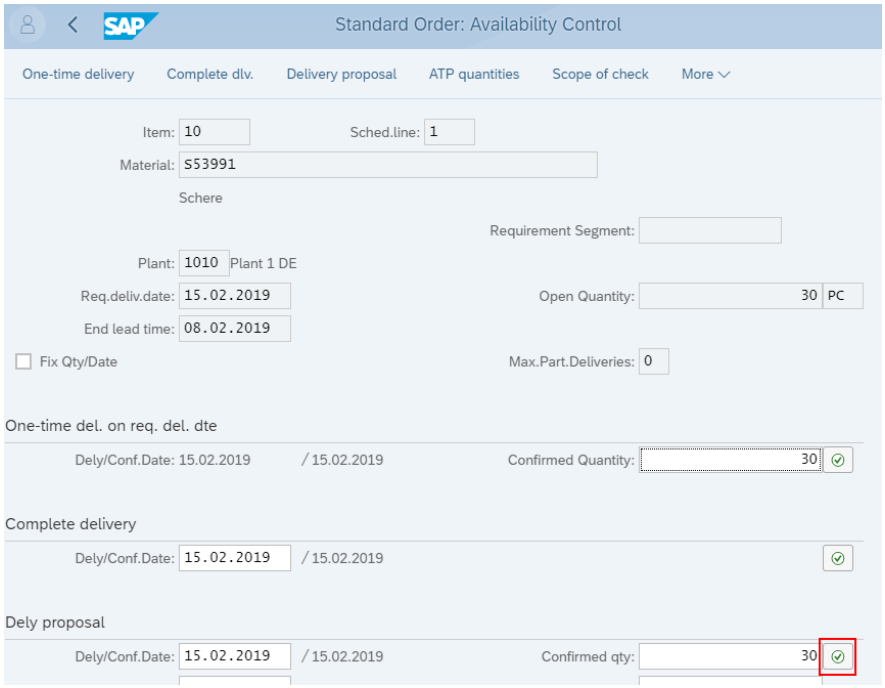

Now you have opened the item data. Click on Schedule lines .

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:




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



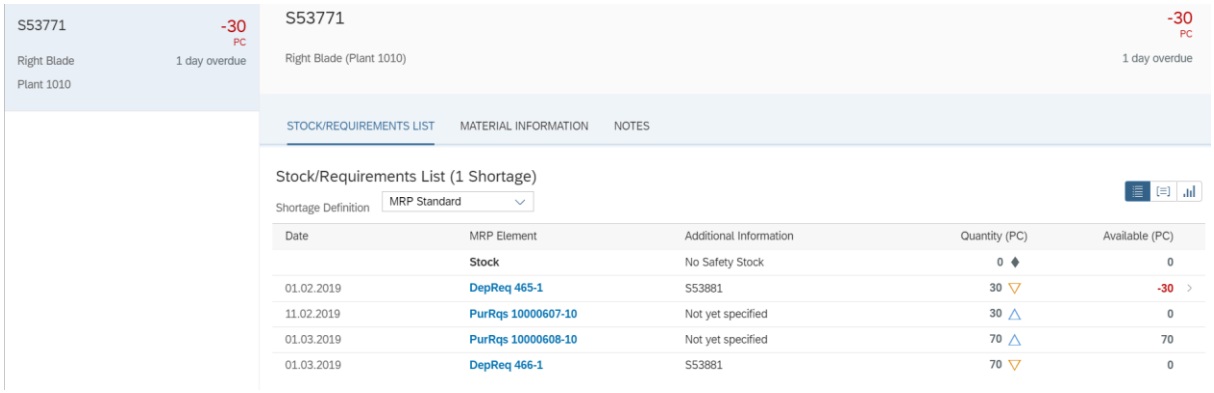

Save.

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

# 1 Task:

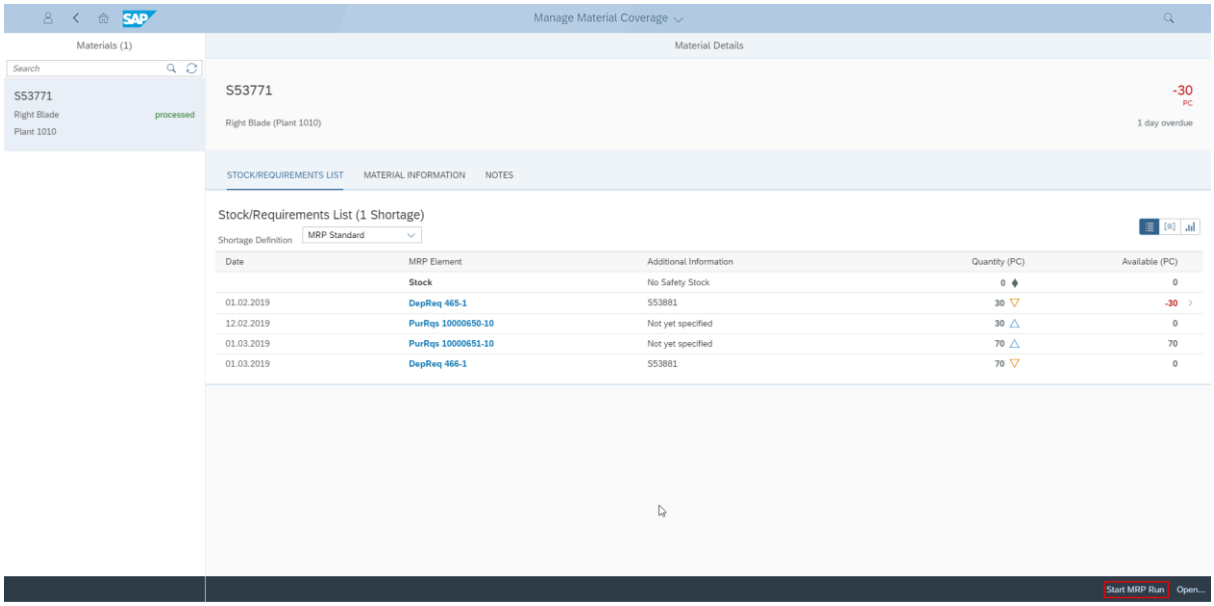
Check out the first raw material (Sxx771) in the app: Monitor Material Coverage


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




- 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:




- 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.

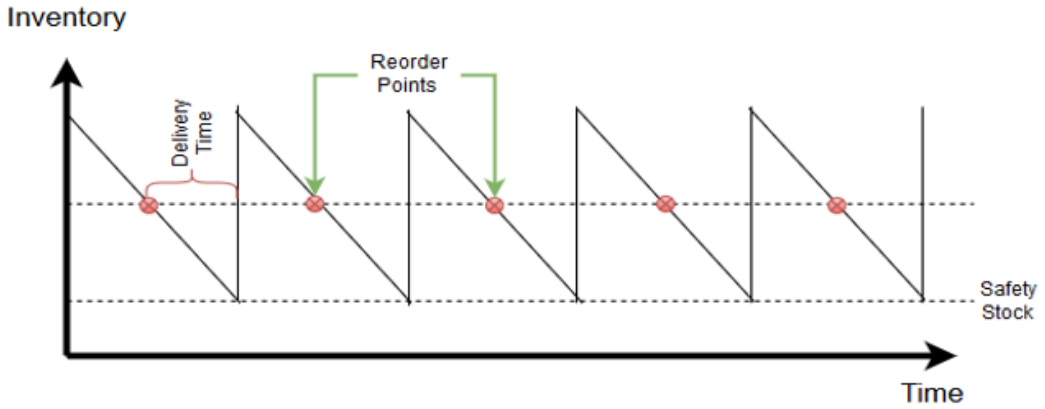
# 3 Task:

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.