1. **Forecast** is created in forecast header and lines
2. Forecast is collected to **MDS**
   1. Sales orders also collected to MDS
   2. If consumption is enabled then the system does consumption
3. Demand Source (Forecast or MDS) is collected to **MRP**
   1. All OnHand is collected to MRP
   2. All Open Orders (POs, Req, WOs) are collected to MRP
   3. MRP finds net requirement for each demand, if net requirement < 0, system creates planned order
4. **Dependent MRP**

The difference between dependent MRP and independent MRP is the source of demand. Dependent demand uses planned order of the top level item as a source of demand. System also considers all the SOs and Forecasts for those items.