

Formula Loss Adjustment

With the *Formula Loss Adjustment* screen, you can revise the Formula loss factors to attain greater accuracy and less waste. This accuracy is important when running MPS and MRP, for example, so the correct quantities are calculated for purchases. Using this utility, adjustments in terms of loss factors in the Formula can be done by comparing them to the loss factors found in the production history for the Formula and updating the loss factor found in the Formula to match its historical yield. The historical yield is taken from batches that were closed within the specified date range. It might be required to run a *Historical vs. Theoretical Formula Loss Report* before proceeding with this option. This report will show the actual historical formula losses based on historic yields.

Updating the loss factor also enables greater accuracy in calculating costs associated with producing the Formula. The *Filtering Parameters* option can be used to define the range of Formulas for which you wish to adjust loss factors. To adjust the losses, select the *Update Loss* checkbox.

Maintaining the Formula loss constant and then calculating the loss factor calculates the Formula loss.

For example, let's presume there were 100 pounds of finished goods, which required 130 pounds of Formula materials. Let's also presume that a 20-pound loss constant had been assigned to this Formula. BatchMaster WEB uses these values to calculate the loss factor as follows:

$$\begin{aligned}\text{Loss Factor} &= 1 - (\text{Quantity of Finished Good}) / (\text{Formula Quantity} - \text{Loss Constant}) \\ &= 1 - (100) / (130 - 20) = 0.0909\end{aligned}$$

When BatchMaster WEB has finished updating the *Loss Factor* field, the *Formula Loss Adjustment* option will display or print a report showing the records it has adjusted. This Loss Factor is updated in the Master Formula. A report displaying the Formula key, description, old loss, new loss, and variance is generated.

Go To: Costing → Costing Utilities → Formula Loss Adjustment.

Formula Loss Adjustment Screen

Use *Formula Loss Adjustment* screen to revise the Formula loss factors. The system displays the *Formula Loss Adjustment* screen when you click on the *Formula Loss Adjustment* option from the main menu.

The screenshot shows a software window titled "Formula Loss Adjustment". It features a header bar with a menu icon, a help icon, and a close button. The main area contains several input fields: "Formula Key From" (containing "BLUE COATING"), "Formula Key To" (containing "WHITE GRANULS"), "From Date" (containing "09/24/20"), "To Date" (containing "09/24/20"), and "Update Loss" (with a checked checkbox). To the right of these fields are two read-only "Formula Description" fields showing "Blue Coating" and "White Granuls (Bulk)". At the bottom of the window are "Process" and "Close" buttons.

Formula Key From: This Formula key specifies the lower limit of the range of formulas for use as filter criteria during processing. Typing or selecting via the associated lookup on this screen may enter this Formula key. Leaving this field blank has the same effect as selecting the first available Formula Key via the lookup.

Formula Description: This field displays the description of the formula key. This is a read-only field.

Formula Key To: This Formula key specifies the upper limit of the range of formulas for use as filter criteria during processing. This Formula key may be entered by typing or selected via the associated lookup on this screen. Leaving this field blank has the same effect as selecting the last available Formula Key via the lookup.

Formula Description: This field displays the description of the formula key. This is a read-only field.

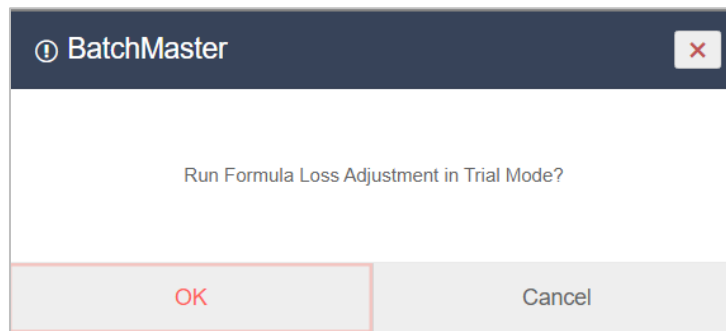
From Date: This Date specifies the lower limit of the range of dates for use as filter criteria during processing. This date may be entered by typing or selected via the associated calendar lookup on this screen. Leaving this field blank has the same effect as entering the current server date.

To Date: This Date specifies the upper limit of the range of dates for use as filter criteria during processing. This date may be entered by typing or selected via the associated calendar lookup on this screen. Leaving this field blank has the same effect as entering as entering the current server date.

Update Loss: Marking this box and then processing this utility actually updates the loss factors in a formula or formulas (as per the filter criteria) based on the historical losses found in the Production History. With this box unchecked, the losses are not updated, and a report is generated.

Performing Formula Loss Adjustment

1. Open the *Formula Loss Adjustment* screen.
2. In the *Formula Key From* and *Formula Key To* fields, specify the lower and upper limits, respectively, of the range of Formulas for processing. These Formula keys may be entered by typing or selected via the associated lookups. Leaving these fields blank has the same effect as selecting the first and last available Formula keys via the lookup.
3. In the *From Date* and *To Date* fields, specify the lower and upper limits, respectively, of the range of dates for closed batches to be considered for Yield history. These dates may be entered by typing or selected via the associated calendar lookups. Leaving these fields blank has the same effect as entering the current server date.
4. Mark the *Update Loss* checkbox for the processing to be done in Final mode. Processing is done in Trial mode when this checkbox is not selected. While processing the Formula Loss Adjustment in trail mode the system displays the message as shown below:



Marking this checkbox and then processing the utility actually updates the loss factors in a Formula(s), as per the filter criteria) based on the historical losses found in *Production History*. When this checkbox is not marked, the losses are not updated and a report is generated.

5. Click the *Process* button to update the losses. The following message is displayed: 'This Routine will update Formula Loss Factors based on historical losses found in Production! Click *Cancel* to stop this process or *OK* to continue.' Click the *OK* button to proceed with the loss adjustment.
6. When BatchMaster WEB has finished updating the *Loss Factor* field, the *Formula Loss Adjustment* option will display a report showing the records it has adjusted. The Loss Factors are updated in the Master Formulas. You can see a report displaying the Formula key, description, old loss, new loss, and variance.