

Header Data

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Component	PP-MRP Material Requirements Planning
Other Components	PP-MP Master Planning
Priority	Recommendations / Additional Info
Category	Consulting

Symptom

You use the ERP system for your material requirements planning. You do not always determine the safety stock level based on decisions on costs. You want to control and optimize your stocks accurately by optimizing the selected safety stock level. You want to incorporate the current business administration knowledge in the decisions on the level of the safety stock.

Other Terms

Safety stock, safety stock determination, safety stocks, safety stock planning (SSP), safety stock calculation, stock decrease, optimizing stock, ERP method, standard method, safety factor, replenishment lead time, service level, minimum safety stock level, automatic safety stock, dynamic safety stock, range-of-coverage profile, period profile, advanced method, normal distribution, forecast error, mean absolute deviation (MAD), relative error, demand, forecast, error total, mean absolute percent error (MAPE), APO safety stock method, APO method

Reason and Prerequisites

You use the ERP system to control materials planning but you do not tap the full potential of the functions. In particular, you want to

improve the following areas:

- Safety stock planning based on cost
- Determining the financial implications when the service level is changed
- Improving the transparency of the stock situation

Solution

SAP Consulting provides a variety of tools for improving supply chain planning with SCM Consulting Solutions. The ERP add-on tool "MRP monitor" is an integral part of SCM Consulting Solutions. You can use this add-on tool for a large number of functions (for further information, see Note 1333018). In addition, you can use this add-on tool to classify (ABC/XYZ classification) the materials according to the criteria that are important in materials planning.

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Based on the MRP monitor, the ERP add-on tool "Safety stock simulation" provides the following functions:

- The costs that arise and the stock level that results from using the automatic safety stock planning of the ERP system are determined in a simulation.
- The costs that arise and the stock level that results from using the advanced safety stock method of the APO system are determined in a simulation (the relative forecast error of demand and the relative forecast error of the replenishment lead time are used).
- You can display the safety stock procedure that is ideal for the stock.
- Scenarios are analyzed for increasing or reducing the master data entries, such as:
 - > Service level
 - > Absolute replenishment lead time
 - > Forecast error (MAD, MAPE)

Using these functions, you can adapt to anticipated changes in the processes or on the market ahead of time, and you can adjust your lot-sizing procedures in sufficient time.

For details about this offer and relevant contact persons, see the attachments to this note or go to <http://www.sap.de/bestandsoptimierung> (German version; English version will be available in the near future).

References

This document refers to:

SAP Notes

1832851 [SCM CS: Purchasing monitor](#)
1783924 [SCM CS: Multisourcing mit Planungskalendern](#)
1783469 [SCM CS: Supplier preview](#)
1761844 [SCM CS: Nutzung des SCM CS-Materialstammreisers in der MD04](#)
1752896 [SCM CS: Zugang zu einem Testsystem von SAP Consulting](#)
1750493 [SCM Consulting Solutions: Auslieferungsprozess](#)
1745268 [SCM CS: Stocking Level Monitor](#)
1731839 [SCM CS: Navigationsprofile in mehreren Sprachen/Systemen](#)
1705981 [SCM CS: Übersicht SAP-Erweiterungen](#)
1653329 [SCM Consulting Solutions: Kanban monitor](#)
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 2011149 [SCM CS: Ex-Work Stock Transfer](#)
 2011146 [SCM CS: EX-Work Supplier](#)
 1761844 [SCM CS: Nutzung des SCM CS-Materialstammreisers in der MD04](#)

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Info_SBS_german.pdf	455	application/pdf
Saf_St_Sim_Pres_EN_2011_1_v01.pdf	240	application/pdf
INFO_SSS_english.pdf	421	application/pdf
Delta_SSS_DE_2011_1.pdf	169	application/pdf