

SCM Consulting Solutions

MRP Monitor 2011.1

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Released
for
customer

Agenda

1. **The challenge: Master data management**
2. The solution: SCM Consulting Solution MRP monitor
3. Details on MRP monitor

The challenge: master data management

During master data management companies encounter the following problems:

- **Quality of master data is often low and their structure complex**
- **The large number of MRP master data cannot be monitored manually**
- **An XYZ analysis is needed to recognize best and worst sellers**
- **There is no standard application to analyze an ABC/XYZ-Matrix**
- **Realization in SAP Net Weaver® BI respectively SAP® R/3®-LIS is complex**
- **A navigation on material document level is not possible**
- **Microsoft Excel is often used to create ABC/XYZ analysis**

Agenda

1. The challenge: Master data management
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The solution: SCM Consulting Solution MRP Monitor

Questions and answers to SCM Consulting Solution MRP monitor

■ Which prerequisites must customers fulfil?

- The use of SAP R/3 material management

■ Which advantages offers the MRP monitor?

- Analysis of the most important MRP master data directly in an SAP ERP-System
- Fulfilment of classifications of articles on the basis of an ABC/XYZ-Matrix
- More inventory analytics are possible by the monitor. Direct modification of MRP master data

■ Is the MRP monitor a modification?

- No. It is an Add-on, no modification.

■ Is Customizing necessary to use the MRP monitor?

- No, customizing is not needed.

■ How time-consuming is the adoption?

- The solution will be installed and available within one day.

■ What's the whole amount of costs for the MRP monitor?

- Please send an inquiry to Marc Hoppe or Ferenc Gulyássy

The solution: SCM Consulting Solution MRP Monitor

The goal is to simultaneously minimize inventory costs and stabilize service-levels through the following actions:

- **Analysis of master data quality**
- **Classification of parts spectrum**
- **Transparency of current inventory situation**
- **Derivation of the best inventory strategy**
- **Continuous inventory controlling**

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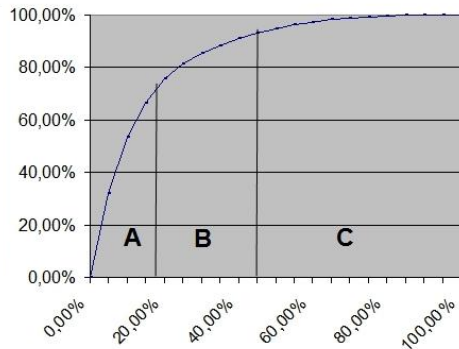
Details on MRP Monitor

Several options:classification of materials

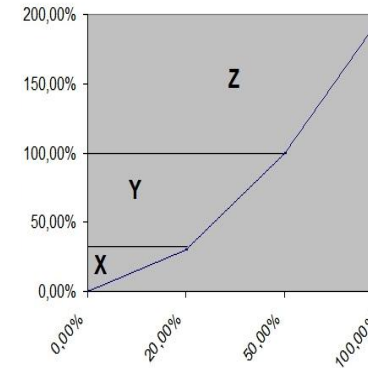
- ABCD analysis (consumption value)
- XYZN analysis (consumption variability)
- Seasonal materials
- LMN analysis (volume)
- EFG analysis (price)
- UVW analysis (replenishment lead time)
- LRODI analysis (Product life cycle)

Details on MRP Monitor

ABC analysis



XYZ analysis



Derivation of

- MRP strategies
- MRP parameters
- Forecast methods
- Safety stocks
- Service levels
- Inventory strategy

	A	B	C
X	High value percentage Well predictable Constant demand	middle value percentage Well predictable Constant demand	low value percentage Well predictable Constant demand
Y	High value percentage average predictable fluctuating demand	middle value percentage average predictable fluctuating demand	low value percentage average predictable fluctuating demand
Z	High value percentage sporadic trend irregular demand	middle value percentage sporadic trend irregular demand	low value percentage sporadic trend irregular demand

Details on MRP Monitor

Flexible periodicity

Flexible level of analysis

Flexible data source

The screenshot displays the SAP MRP Monitor configuration screen. It features a top navigation bar with tabs: Data basis, Strategy 1, Strategy 2, Safety stock, Others, and Result. The main content area is divided into three sections:

- Periods for Analysis:** Includes radio buttons for Months (selected), Weeks, and Posting periods. There is a checkbox for Fiscal Year Variant. Below, a date range is set from 13.12.2011 to 12 previous periods.
- Level of Analysis:** Includes radio buttons for Plant (selected), Storage loc., MRP area, and Sales org.
- Data source:** Includes a radio button for Material Consumption Table (selected), with sub-options Total consumption and Corrected total consumption. Other options include Material Documents, Info structur S031, Sales Orders, Financial Documents, Planned requirements, Material Consumption for MRP Area, Requirements, and Combine consumption table and planned requirements. At the bottom, there are checkboxes for Analysis results saved on database and Reference Analysis.

Details on MRP Monitor

Flexible handling of exception materials

Determination and analysis of phase-in materials

The screenshot shows the 'MRP Monitor' interface with the 'Strategy 1' tab selected. It features a table for 'Strategy for classification' and a section for 'New materials'.

	classification	display
Normal materials	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Materials without usage	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Materials with negativ usage	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Materials with delete flag	<input type="checkbox"/>	<input checked="" type="checkbox"/>
New materials	<input type="checkbox"/>	<input checked="" type="checkbox"/>

New materials

New materials are

- ☐ Creation date
- ☐ Creation date of view MRP >=
- ☐ Find and display creation date of view MRP
- ☒ first demand

☐ ignore first periods of new material (offset)

☐ No reduction of periods of analysis for new materials

The date '01.2011' is entered in the field next to 'first demand'.

Details on MRP Monitor

Flexible analysis for several classification methods

☒ Perform ABC(D) analysis based on usage value
☒ Perform EFG(N) analysis based on replenishment lead time
☒ Perform LMN(O) analysis based on
☒ Volume of stock
☐ Gross weight of stock
☐ Net weight of stock
☒ Perform UVW(N) analysis based on item prices
☒ Perform #ABCD# analysis based on usage variation
☒ Life cycle analysis

Strategy for ABC(D) analysis based on usage value

	A	B	C
<input checked="" type="radio"/> Usage value in %	<input type="text" value="70"/>	<input type="text" value="20"/>	<input type="text" value="10"/>
<input type="radio"/> Usage value (amount)	<input type="text" value="50.000"/>	<input type="text" value="5.000"/>	<
<input type="radio"/> Number of Materials in %	<input type="text" value="10"/>	<input type="text" value="20"/>	<input type="text" value="70"/>
<input type="radio"/> Number of Materials	<input type="text" value="100"/>	<input type="text" value="500"/>	Rem.
<input type="checkbox"/> Classify C material as D			

☒ ABC-Value = XYZ quantity x current price
☐ Take ABC value from same data source as XYZ quantity
☐ Dummy value 1 per base unit (= ABC analysis based on quantities)

Strategy for EFG(N) analysis based on replenishment lead time

	E	F	G
<input type="radio"/> Replenishment lead time in %	<input type="text" value="10"/>	<input type="text" value="20"/>	<input type="text" value="70"/>
<input checked="" type="radio"/> Replenishment lead time (abs.)	<input type="text" value="5"/>	<input type="text" value="15"/>	>
<input type="radio"/> Number of Materials in %	<input type="text" value="10"/>	<input type="text" value="20"/>	<input type="text" value="70"/>
<input type="radio"/> Number of Materials	<input type="text" value="100"/>	<input type="text" value="500"/>	Rem.
<input type="checkbox"/> Indicator N when no repl. lead time is maintained in mat. master			

⋮

Details on MRP Monitor

The screenshot shows the SAP MRP Monitor configuration interface. It has a top navigation bar with tabs: Data basis, Strategy 1, Strategy 2, Safety stock, Others, and Result. The main content area is divided into several sections:

- Autocorrelation coefficient:** Contains checkboxes for "Calculate autocorrelation coefficient" and "Correct time series by seasonal influence". A text field "Threshold autocorrelation for se" is set to 0.30. Below it, "Amount of historical periods" has radio buttons for "Master data" (selected) and "Next value:". Further down, "Amount of periods per seasonal cycle (PERIO) by" also has radio buttons for "Master data" (selected) and "Next value:".
- Range of Coverage:** Contains radio buttons for "Normal range of coverage" (selected), "Weighted range of coverage (price weighted)", and a checkbox for "Calculate no materials w/o usage". Below, "Range of coverage Stock = 0 and usage = 0" has radio buttons for "999,9 (Standard)" (selected) and "0 (kundenspezifisch)".
- Inventory turnover:** Contains radio buttons for "Total usage in selected period / average stock" (selected) and "Calculate for each period, average of all selected periods".
- Slow moving items - Standard:** Contains radio buttons for "Days since start of analysis" and "Days since year 0" (selected).
- Slow moving items SL1 SL2 SL3:** Contains three rows of conditions. The first row is "if >= ... Days without usage" with a value of 100. The second row is "If Cross-Plant Mat. Status.." with a value of 21. The third row is "if >= ... Days without usage" with a value of 300. There is a "to" field and a right arrow button. At the bottom, there is a checkbox "if stock = 0 then no slow moving item".

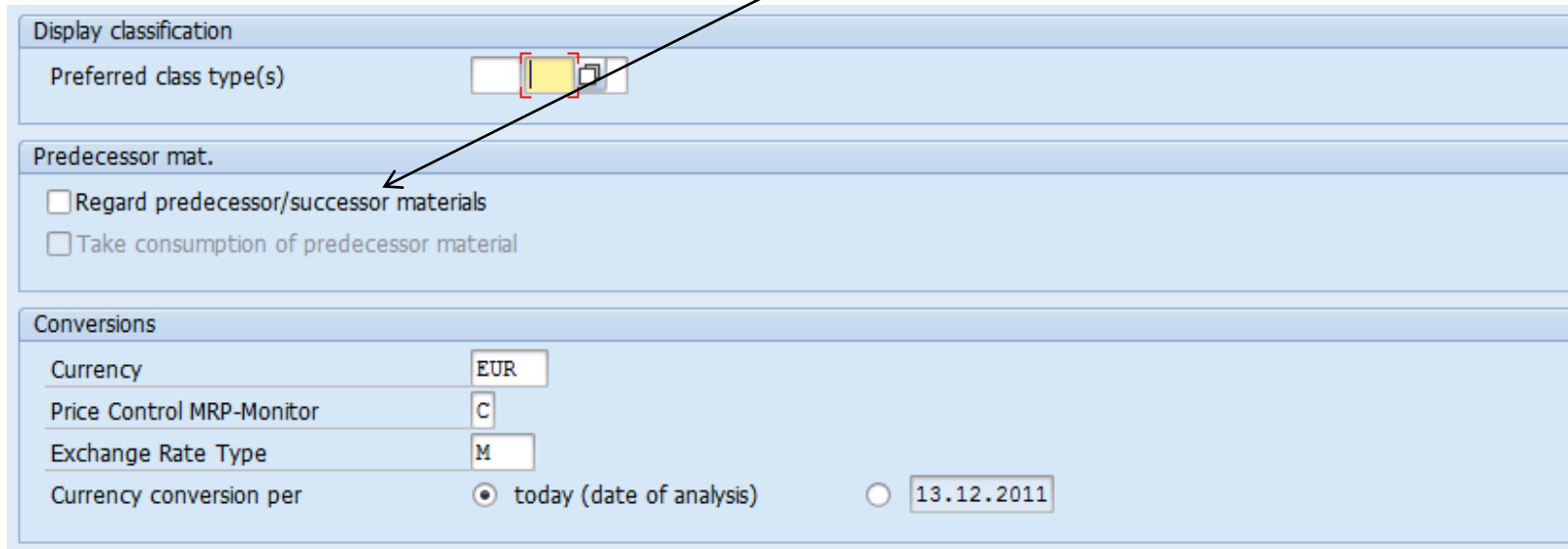
Four arrows originate from the text "Several additional KPIs like" and point to the "Autocorrelation coefficient" section, the "Range of Coverage" section, the "Inventory turnover" section, and the "Slow moving items - Standard" section.

Several additional KPIs like

- range of coverage
- inventory turnover
- slow moving indicator
- autocorrelation coefficient
- Inventory
- ...

Details on MRP Monitor

Consideration of predecessor materials



The screenshot displays the SAP MRP Monitor configuration interface. It is divided into three main sections: 'Display classification', 'Predecessor mat.', and 'Conversions'. An arrow from the text 'Consideration of predecessor materials' points to the 'Predecessor mat.' section.

Display classification

Preferred class type(s) ☐ ☒ ☐

Predecessor mat.

☐ Regard predecessor/successor materials

☐ Take consumption of predecessor material

Conversions

Currency

Price Control MRP-Monitor

Exchange Rate Type

Currency conversion per ☒ today (date of analysis) ☐ 13.12.2011

Details on MRP Monitor

Several safety stock simulation methods

MRP Monitor

Icons: Clock, Document

Navigation tabs: Data basis | Strategy 1 | Strategy 2 | **Safety stock** | Others | Results

Strategie for safety stock

ERP methods

Servicelevel in %: ☒ at first search in material master

Dispersion of a material's demand within a period, first of all...

☒ ...try to calc. MAD by periodsel. afterwards search in material master...

☐ ...try to search MAD in material master afterwards calc. by periodsel...

...otherwise use fixed MAD:

☐ use ERP method (working days)

☒ use optimized ERP method (calender days)

Advanced methods

☒ use advanced method (calender days)

percentage error of demand in %:

Probability of reorderingtime in %:

Details on MRP Monitor

Analysis of special stocks

MRP Monitor

Icons: Clock, Document

Tabs: Data basis | Strategy 1 | Strategy 2 | Safety stock | **Others** | Result

Special Stocks

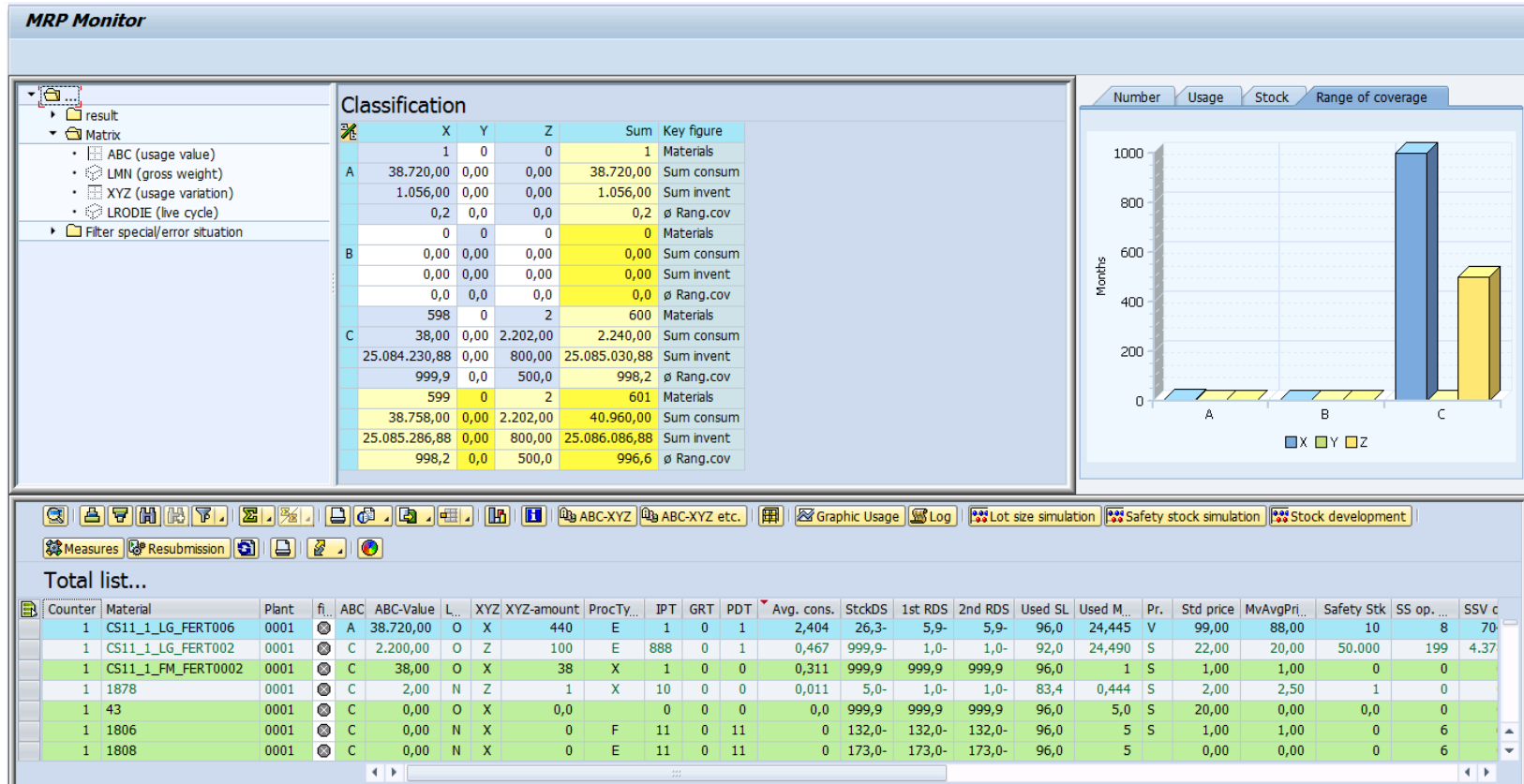
☐ Calculate special stocks separately (SOBKZ = Special Stock Indicator)

☒ For total stock and usage take total results from mat. doc. agg.

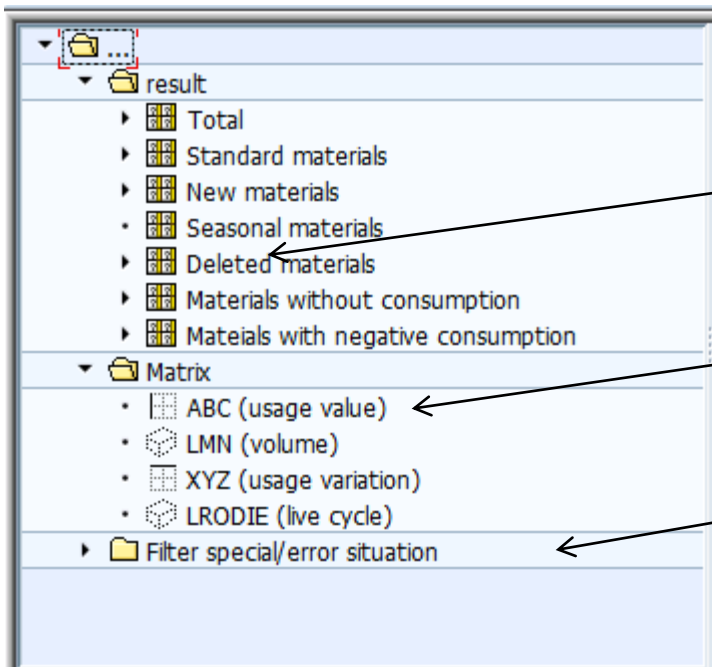
☐ For total stock and usage add stock and usage of selected special stoc

display	add to totale usage
<input type="checkbox"/>	<input type="checkbox"/> without SOBKZ
<input type="checkbox"/>	<input type="checkbox"/> SOBKZ 'E' (Orders on hand)
<input type="checkbox"/>	<input type="checkbox"/> SOBKZ 'K' (Consignment (vendor))
<input type="checkbox"/>	<input type="checkbox"/> SOBKZ 'M' (Ret.trans.pkg vendor)
<input type="checkbox"/>	<input type="checkbox"/> SOBKZ 'O' (Parts prov. vendor)
<input type="checkbox"/>	<input type="checkbox"/> SOBKZ 'P' (Pipeline material)
<input type="checkbox"/>	<input type="checkbox"/> SOBKZ 'Q' (Project stock)
<input type="checkbox"/>	<input type="checkbox"/> SOBKZ 'V' (Ret. pkg w. customer)
<input type="checkbox"/>	<input type="checkbox"/> SOBKZ 'W' (Consignment (cust.))
<input type="checkbox"/>	<input type="checkbox"/> SOBKZ 'Y' (Shipping unit (whse))

Details on MRP Monitor



Details on MRP Monitor

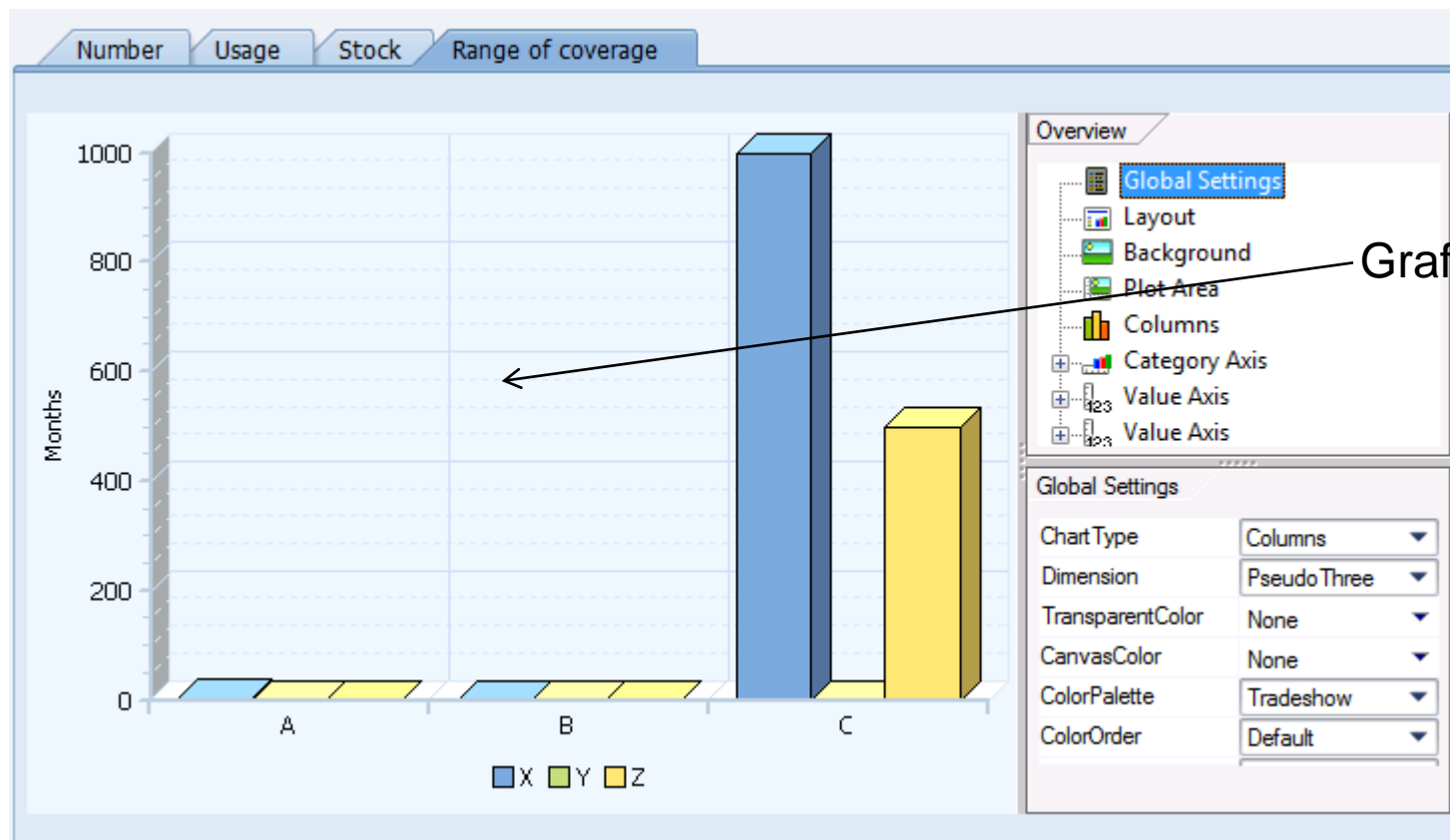


Analysis of materials

Matrix options

Filters

Details on MRP Monitor



Grafical display

Details on MRP Monitor

Define measures Navigation profile usage Future stock development

Master data maintenance

More than 150 KPIs and master data entries for analysis available

Where can I get more information on SCM CS?

Go to SAP service marketplace and search for note 1493943!

Or ask for more information:

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