

TIP 2 – INVENTORY

Now that the formulas of your requirements are maintained, it is also important to make sure your formulas of the inventory lines are correct.

- Requirements will lower your inventory levels.
- Plans will increase your inventory levels.

An inventory level always starts with the situation of the previous month. Then, the requirement and plan of that month are respectively subtracted and added.

	Cost	M1: JAN-2018	M2: FEB-2018	M3: MAR-2018	M4: APR-2018	M5: MAY-2018	M6: JUN-2018
Milk Pack/PL_Bergen							
Tot.Requirements		0,0	0,0	0,0	0,0	0,0	0,0
Production using Raw Milk in PL_Bergen	0.45 EUR/liter						
Production using Powder in PL_Bergen	0.25 EUR/liter						
Tot.Inventory		0	0,0	0,0	0,0	0,0	0,0

If all your formulas are correct, you can start planning.

- Focus on creating plans and the inventory levels first, while respecting the constraints. It helps to consider the capacity constraint of 500 at the same time.
- Later, you can focus on optimizing the costs.