

## Are You Making Your SAP Supply Plan More variable than the Demand Plan?

Some companies put significant effort into Sales, Inventory, and Operations Planning and these companies typically will look at the signals they are sending their suppliers to better manage their performance.

Rather than get into a long diatribe into why steady signals are often better than variable signals, I will just show you how to see where the variation is. For the example I have chosen a part that is "X" (very forecastable because of low variation) and "H" (frequently used).

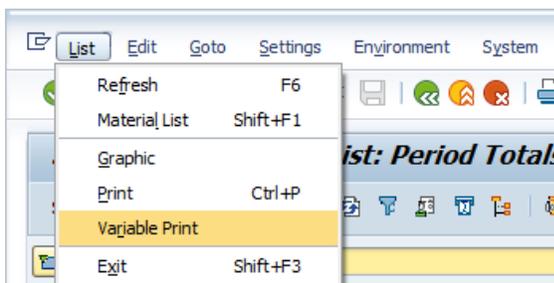
Go to MD04 and put the part into weekly buckets.

The screenshot shows the SAP MD04 interface with the 'Individual List' tab selected. The 'Weeks' view is active, displaying a table with columns: A., Period/segment, Plnd ind.req..., Requirement, Receipts, Avail. Quan..., and ATP qua. The table data is as follows:

A.	Period/segment	Plnd ind.req...	Requirement	Receipts	Avail. Quan...	ATP qua
	W 18/2020	0	22-	0	96	
	W 19/2020	0	32-	0	64	
	W 20/2020	0	24-	83	123	
	W 21/2020	0	26-	0	97	
			24-	0	73	
			32-	73	114	
			32-	0	82	
			32-	64	114	
			30-	0	84	
			30-	57	111	
	W 28/2020	0	32-	0	79	
	W 29/2020	0	32-	64	111	

A callout box with a white background and black border contains the text: "You can see the requirements are very steady, but the receipts show more variation. Receipts are typically 2 weeks of requirements and there are no standard quantities." Two red arrows point from the callout box to the 'Requirement' and 'Receipts' columns of the table.

Go to the List Icon and select variable print.



This will come up. Notice the top part are the planning parameters. The lower part shows your MRP plan.

MRP Type	PD	Matl Type	Z002	Unit	EA
MRP Cont.	5YP	Plng Group	ZPA	MRP Lot Size	YE
PurGrp	230	Proc.ID		FxdLotSz	0
Repl. Lead Time	180	Stock	30	MinLotSz	0
Procurement	F	PlndIss	4,766	MaxLtSz	0
SpecPrckKy		FirmIss	26	SftyStk	0
SpecProc		PlndRcp	2,062	ReorderPt	0
RngCovrgProf	113	FirmRcp	2,700	MaxStk	0
Current Date 11/30/2019					

	Period/segment	Plnd ind.reqmts	Requirement	Receipts	Avail. Quantity	ATP quantity	Act. RoC
	W 08/2020	0	72-	66	87	0	19.4
	W 09/2020	0	26-	62	123	0	24.7
	W 10/2020	0	28-	0	95	0	19.7
	W 11/2020	0	24-	0	71	0	14.7
	W 12/2020	0	24-	64	111	0	20.0
	W 13/2020	0	24-	0	87	0	15.0
	W 14/2020	0	32-	63	118	0	23.4
	W 15/2020	0	32-	0	86	0	19.4
	W 17/2020	0	50-	82	118	0	23.6
	W 18/2020	0	22-	0	96	0	18.6
	W 19/2020	0	32-	0	64	0	13.6
	W 20/2020	0	24-	83	123	0	23.3
	W 21/2020	0	26-	0	97	0	18.3
	W 22/2020	0	24-	0	73	0	13.3
	...	-	--	--	...	-	--

Export this into Excel. Some clean-up is required to get the below excel sheet. In yellow I have the average weekly quantities, and in blue I have the standard deviation. In pink I have the coefficient of variation. This shows a relatively stable demand plan with low variation is being translated into a less stable supply plan with approximately 6 times the level of variation.

Period/segment	Plnd ind.re	Requirement	Receipts
W 14/2020	0	-32	63
W 15/2020	0	-32	0
W 17/2020	0	-50	82
W 18/2020	0	-22	0
W 19/2020	0	-32	0
W 20/2020	0	-24	83
W 21/2020	0	-26	0
W 22/2020	0	-24	0
W 23/2020	0	-32	73
W 24/2020	0	-32	0
W 25/2020	0	-32	64
W 26/2020	0	-30	0
W 27/2020	0	-30	57
W 28/2020	0	-32	0
W 29/2020	0	-32	64

Whether this is good or bad depends on how you want your inventory segmentation to be set up and what your goals are.