

# How to Do a Five-Minute Review of a Part Number

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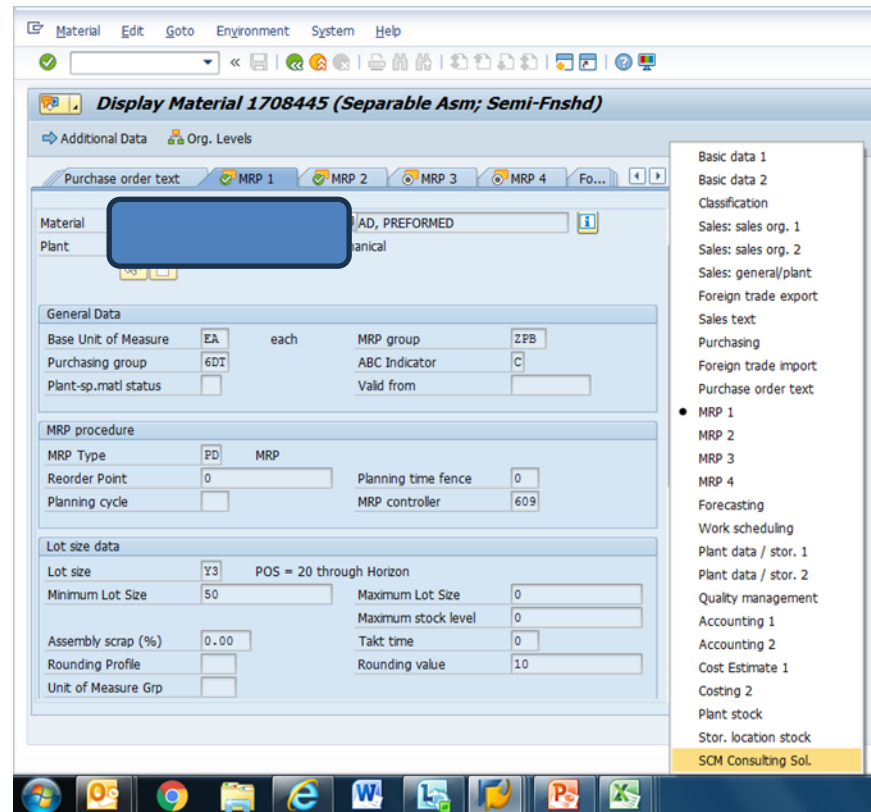
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# MDI or Tiered Board Questions.....

- How does the part look in MD04?
- Does it look like we are signaling a steady supply rate?
- What policy is the part covered under?
- What is the ABC XYZ segment? HIJ?
- How are lot sizes, coverage profile set up? Does it comply with the policy?
- Do we have over consumption/under consumption of forecast?
- Are we stocking out? What are our turns in SAP or what does MC48 look like? If the chart shows shifts, were there changes to safety stock at the time of shift?
- What does Entitlement say we should have in stock? How much money is it?
- Are there known supplier issues?

# Is it Covered Under A Policy?

Go to the materials master, select the dropdown button on the right, and look at the SCM tab.



# How to find Inventory Policy

When in the SCM tab, select from this field the MRP Monitor option (1). Then the policy description should show up (2). You can also get your ABCXYZ HIJ from here (3).

The screenshot displays the SAP SCM interface for 'Stor. location stock' under 'SCM Consulting Sol.'. The material is 'INDUCTOR HOUSING ASSEMBLY; INN' from plant 'PRO 3PL Mechanical'. The policy description is 'CY 102 - END TO END VALUE STREAM'. The 'MRP Monitor' dropdown is set to 'MRP Monit...'. The 'Classification' section shows indicators: ABC(D) Indicator (A), XYZ(N) Indicator (X), LMN(O) Indicator, EFG(N) Indicator (G), and UVW(N) Indicator (V). The 'ABC-Value' is 316,648.80 USD and 'XYZ-quantity' is 2,652. The 'HD(K) Indicator' is set to 'H'. Red boxes and numbers 1, 2, and 3 highlight the 'MRP Monitor' dropdown, the policy description, and the indicator selection fields, respectively.

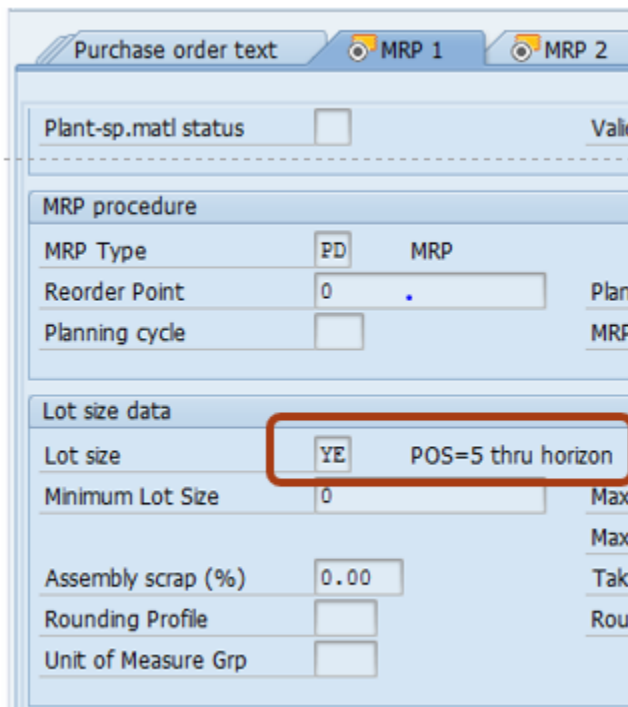
Indicator	Value
ABC(D) Indicator	A
XYZ(N) Indicator	X
LMN(O) Indicator	
EFG(N) Indicator	G
UVW(N) Indicator	V

Field	Value
ABC-Value	316,648.80 USD
XYZ-quantity	2,652
HD(K) Indicator	H

# AX Example

This is an AX part covered under the GOPS Policy 102 End to End Value stream.

It has a lot size of YE= 5days, and a coverage profile of 125 (1/5/10) so it complies Policy.



Purchase order text MRP 1 MRP 2

Plant-sp.matl status  Valid

MRP procedure

MRP Type PD MRP

Reorder Point 0 Plan

Planning cycle  MRP

Lot size data

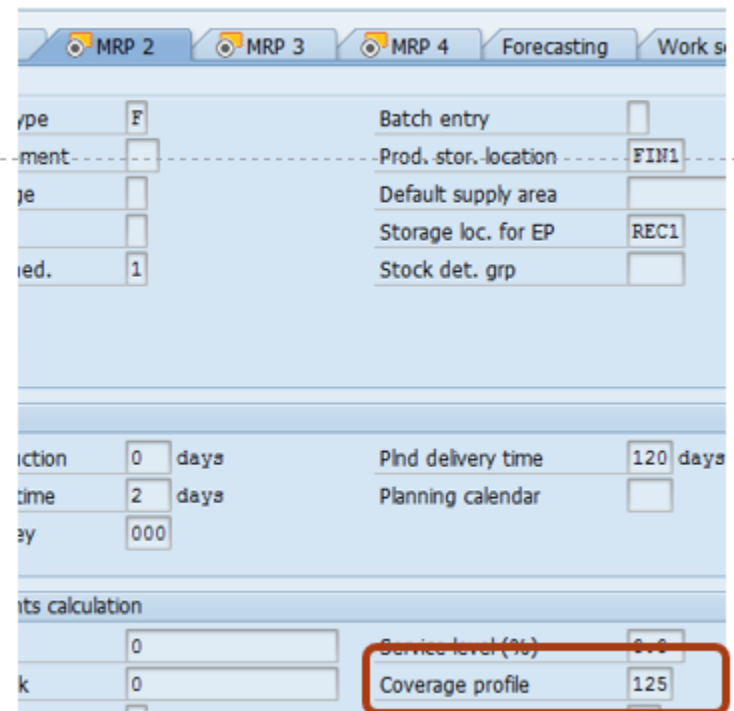
Lot size YE POS=5 thru horizon

Minimum Lot Size 0 Max

Assembly scrap (%) 0.00 Takl

Rounding Profile  Rou

Unit of Measure Grp



MRP 2 MRP 3 MRP 4 Forecasting Work s

Batch entry

Prod. stor. location FIN1

Default supply area

Storage loc. for EP REC1

Stock det. grp

Plnd delivery time 120 days

Planning calendar

Service level (%) 0.0

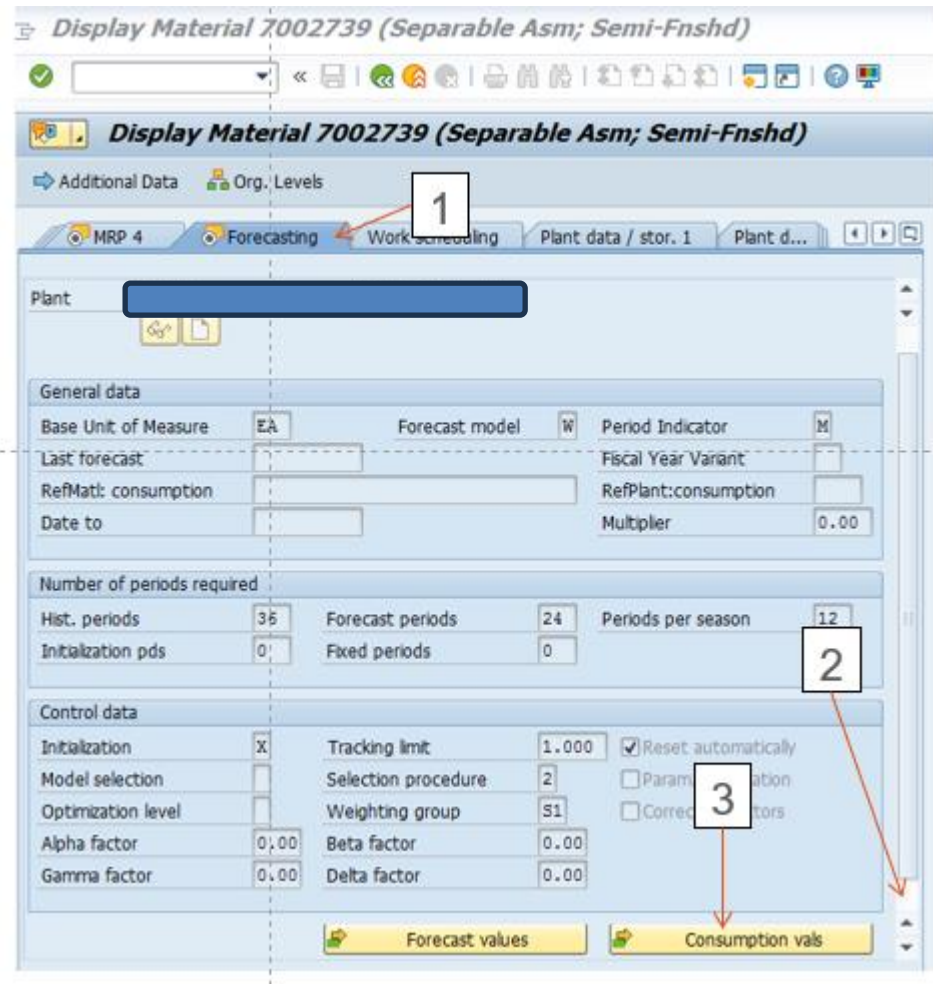
Coverage profile 125

# How to Find Consumption History

Go to the Forecast tab in the materials master.

Scroll down.

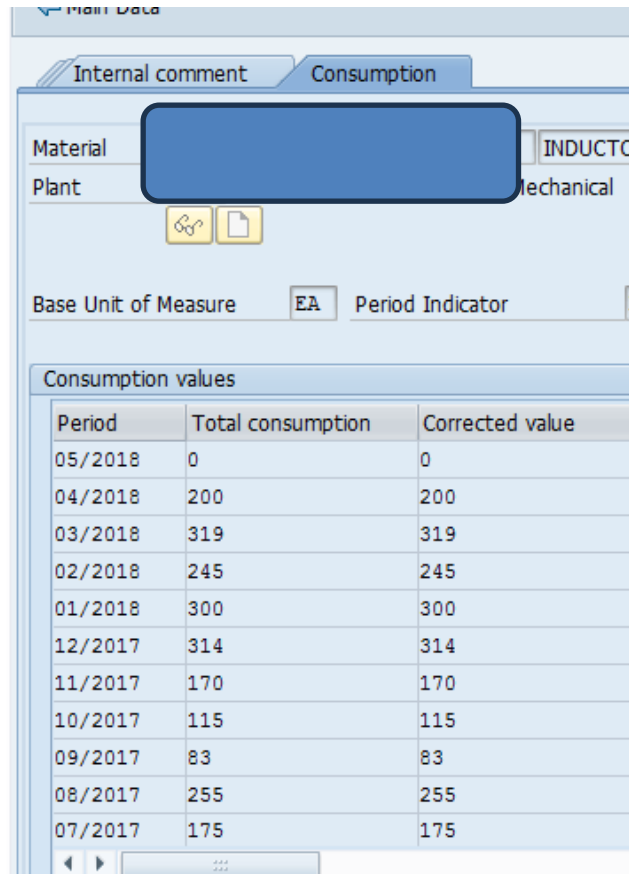
Click consumption values.



# Consumption vs. Forecast

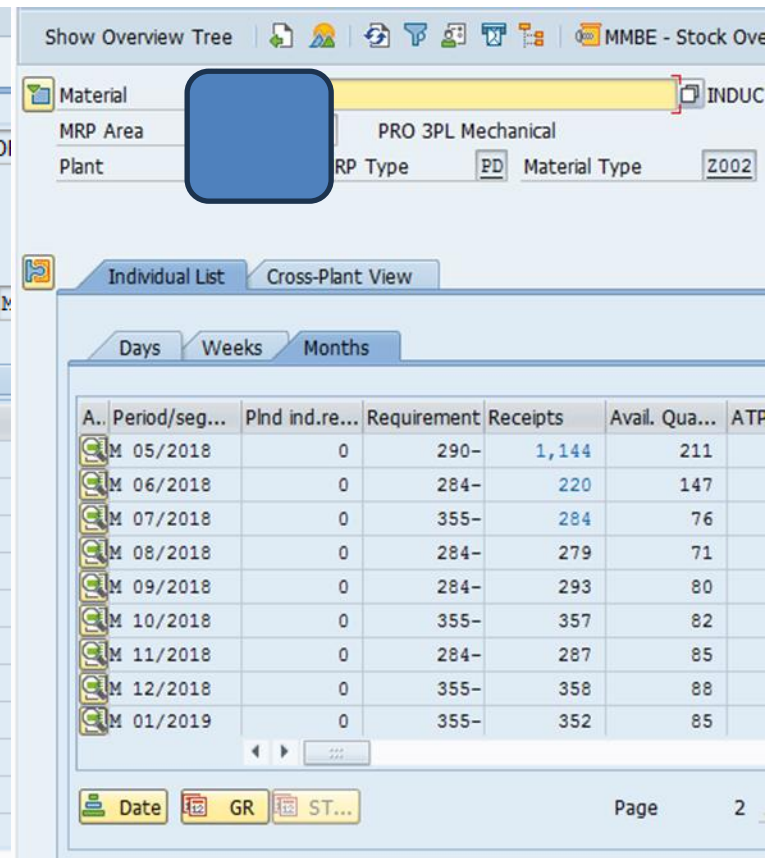
This part looks to be actually over forecasted by quite bit.

Consumption is around 215 on average, with a peak of 319.



The screenshot shows the SAP 'Consumption' tab for a material. A blue box redacts the material name. Below the header, there is a table of consumption values over time.

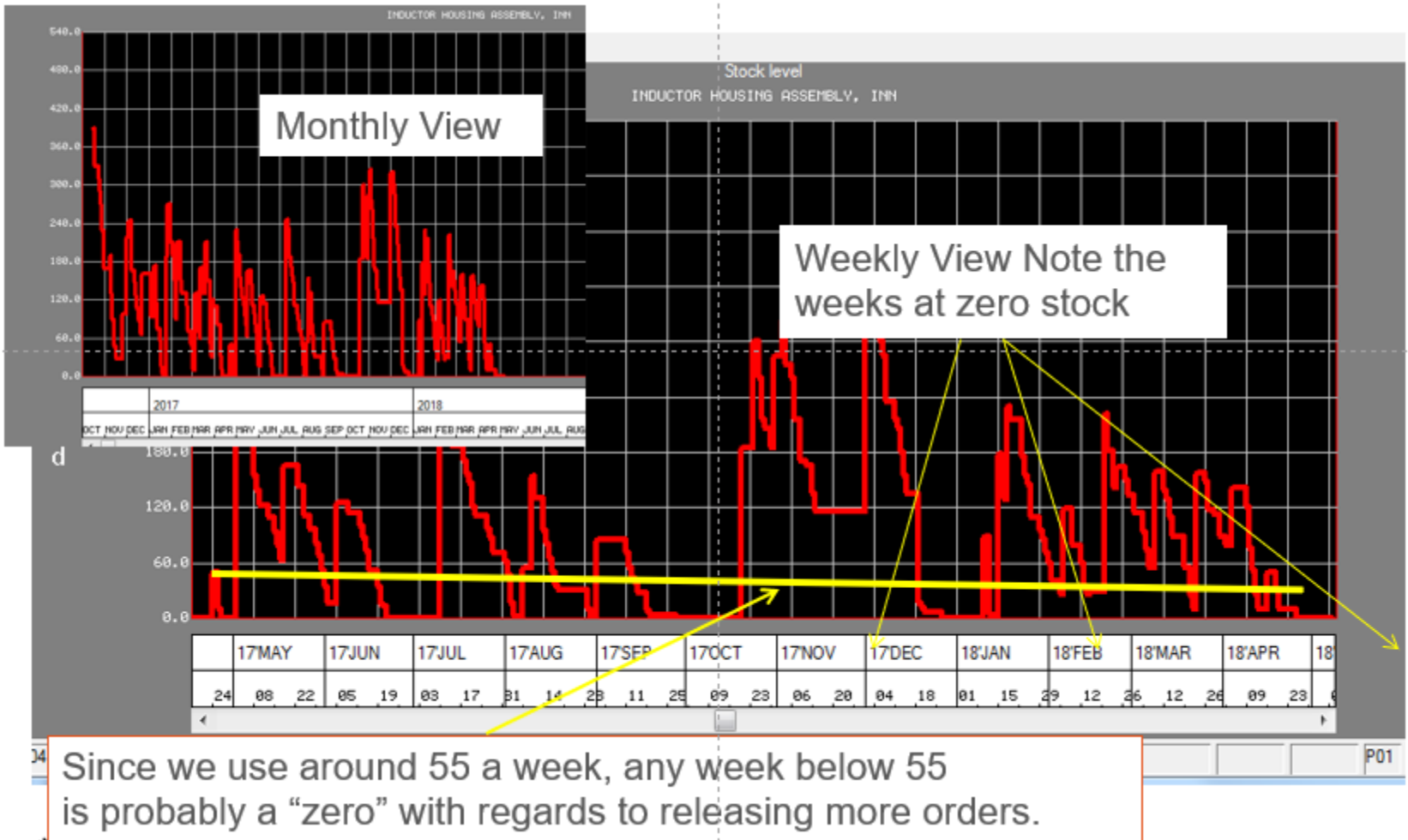
Period	Total consumption	Corrected value
05/2018	0	0
04/2018	200	200
03/2018	319	319
02/2018	245	245
01/2018	300	300
12/2017	314	314
11/2017	170	170
10/2017	115	115
09/2017	83	83
08/2017	255	255
07/2017	175	175



The screenshot shows the SAP 'Individual List' tab for the same material. A blue box redacts the material name. The table displays requirements and receipts over time.

A..	Period/seg...	Plnd ind.re...	Requirement	Receipts	Avail. Qua...	ATP
M	05/2018	0	290-	1,144	211	
M	06/2018	0	284-	220	147	
M	07/2018	0	355-	284	76	
M	08/2018	0	284-	279	71	
M	09/2018	0	284-	293	80	
M	10/2018	0	355-	357	82	
M	11/2018	0	284-	287	85	
M	12/2018	0	355-	358	88	
M	01/2019	0	355-	352	85	

# MC48 Stock levels





# Example two: MD04

Look at MD04 and get a feel for the part first. Is it past due? What do requirements look like? What does supply look like? Are signaling a steady rate?

Material: STRUT AND GENERATOR HOUSING AS  
MRP Area: Mechanical  
Plant: PD  
Material Type: Z002  
Unit: EA  
8078196.04/23/18

Individual List | Cross-Plant View

Days | Weeks | Months

A. Period/seg...	Plnd ind.re...	Requirement Receipts	Actual. Qua...	ATP quan...	Actual...	Stat....	T..	Daily r...	M. M.	Targ. ...	Minimu...	Ma
Stock			4	0	26.0	0.0	00	0.0	0 0	0 0	0 0	
W 16/2018	0	4-	0	0	0.0	0.0	01.101	0 0	0 0	0 0	0 0	
W 18/2018	0	4-	9	5	4.6	4.5	01.101	0 0	0 0	0 0	0 0	
W 19/2018	0	8-	7	4	5.0	3.6	01.101	0 0	0 0	0 0	0 0	
W 20/2018	0	12-	16	8	12.0	7.3	01.101	0 0	0 0	0 0	0 0	
W 21/2018	0	0	4	12	12.0	10.9	01.101	0 0	0 0	0 0	0 0	
W 23/2018	0	8-	4	8	12.0	11.1	50.723	10 1	3.615	0.723	0.723	
W 24/2018	0	4-	8	12	17.0	16.6	50.723	10 1	3.615	0.723	0.723	
W 25/2018	0	4-	0	8	12.0	11.1	50.723	10 1	3.615	0.723	0.723	

# SCM Tab

This tab will help us figure out how the part is supposed to be behaving.

- I know the inventory Policy being applied.
- I know the ABCXYZ.
- Since it is an AX it is a high value, steady demand/consumption part.

**Display Material 1706157 (Separable Asm; Semi-Fnshd)**

Additional Data Org. Levels

Stor. location stock SCM Consulting Sol.

Material: STRUT AND GENERATOR HOUSING AS  
Plant: PRO-DPL Mechanical  
Comm: 02 - END TO END VALUE STREAM MRP Monit...

Change doc. (lst) Change doc. (fid) Measures Date last update

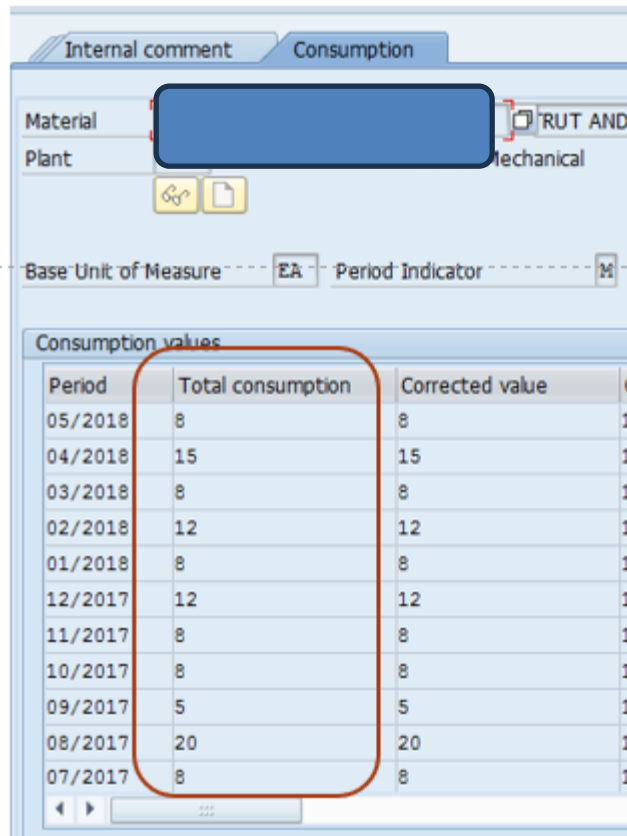
Classification	
ABC(D) Indicator	A
XYZ(N) Indicator	X
LMN(O) Indicator	
EFG(N) Indicator	G
UVW(N) Indicator	U

Lifecycle/Storage	
New material	<input type="checkbox"/>
No consumption	<input type="checkbox"/>
Life cycle	R
Stocking/Destocking	<input type="checkbox"/>
Deletion flag	<input type="checkbox"/>
Negative usage	<input type="checkbox"/>
Seasonal material	<input type="checkbox"/>
Make to Order	X

Exception indicators

# Consumption vs. Forecast

A quick review (which is not perfect but works most of the time) shows that this part is not being under forecasted. If anything, we should have too much inventory.

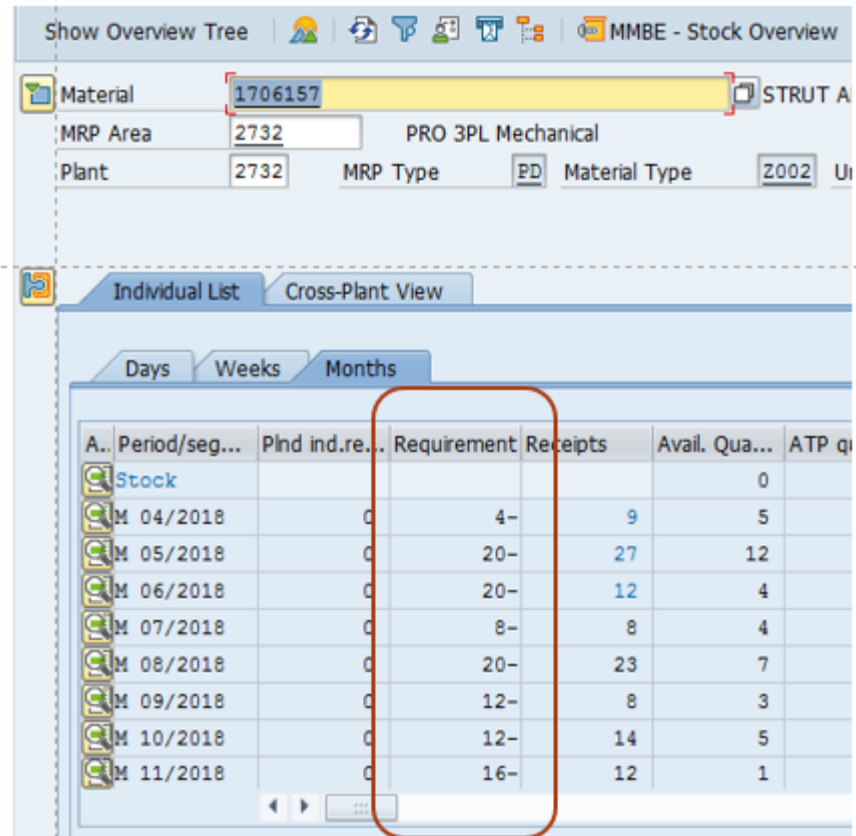


Internal comment Consumption

Material: [Redacted] STRUT AND  
Plant: [Redacted] Mechanical

Base Unit of Measure: EA Period Indicator: M

Period	Total consumption	Corrected value
05/2018	8	8
04/2018	15	15
03/2018	8	8
02/2018	12	12
01/2018	8	8
12/2017	12	12
11/2017	8	8
10/2017	8	8
09/2017	5	5
08/2017	20	20
07/2017	8	8



Show Overview Tree

Material: 1706157 STRUT A  
MRP Area: 2732 PRO 3PL Mechanical  
Plant: 2732 MRP Type: PD Material Type: Z002

Individual List Cross-Plant View

Days Weeks Months

A..	Period/seg...	Plnd ind.re...	Requirement	Receipts	Avail. Qua...	ATP q
	Stock					0
	M 04/2018		4-	9		5
	M 05/2018		20-	27		12
	M 06/2018		20-	12		4
	M 07/2018		8-	8		4
	M 08/2018		20-	23		7
	M 09/2018		12-	8		3
	M 10/2018		12-	14		5
	M 11/2018		16-	12		1



# SAP Parameters Check

- Let's run the changes to SAP transaction from June 2017 to now.
- The most obvious thing is the safety stock was taken from 8 to zero in September, 2017.
- Looking at the prior chart the material stock outs increased in October.

**Change Documents for Object Class MATERIAL**

Material	Date	Time	Transaction	Short Description	Old value	New value	Us
1706157	05/04/2018	10:29:01	MM02(BAPI)	MRP Group	ZPZ	ZPB	80
1706157	04/30/2018	12:51:37	MM02(BAPI)	Planned delivery time in days	182	238	80
1706157	04/23/2018	12:28:51	MM02(BAPI)	Lot size (materials planning)	YK	YE	80
1706157	04/23/2018	12:28:51	MM02(BAPI)	Range of coverage profile		125	80
1706157	11/03/2017	07:05:38	ZMM02	Production Supervisor		GEN	68
1706157	09/22/2017	16:12:49	MM02(BAPI)	Special Procurement Type for Costing	95	AO	68
1706157	09/15/2017	14:13:21	MM02(BAPI)	Range of coverage profile	D05		80
1706157	09/13/2017	11:57:39	MM02(BAPI)	Lot size (materials planning)	YF	YK	80
1706157	09/13/2017	11:57:39	MM02(BAPI)	Safety stock	8 EA	0 EA	80
1706157	09/13/2017	11:57:39	MM02(BAPI)	Range of coverage profile		D05	80
1706157	08/18/2017	21:35:44	MM02(BAPI)	Total replenishment lead time (in workdays)	172	132	FF
1706157	08/02/2017	11:23:26	MM02(BAPI)	MRP Group	ZPA	ZPZ	80

# What does entitlement say?

Entitlement suggests a safety stock of 14 with an average inventory of 15 units total. We know consumption is lumpy lately do to shortages and we know we were more successful previously with 8 units in safety stock, so the truth may be some where in between, but the facts do suggest a path forward.

- If a part is a C item and the total safety stock suggested was \$500, and we had an A item with \$50,000 suggested safety stock, I would not spend too much time thinking about the C item.

	A	B	C	D	E	CC	CD	
1	Plant Id	Raw / FG	Planning Plant	Profit Center	Material Number	Final Suggested Safety Stock Units	Suggested Safety Stock \$	Cl
94	2732	R		OO6231YF	1722470	353	\$26,725.49	
95	2732	R		OO6231YD	1706157	14	\$45,276.70	
96	2732	R		OO6231YF	5914861	91	\$44,008.51	
97	2732	R		OO6231YF	1722470	353	\$26,725.49	

# What should a planner do at the tiered meeting?

- They should NOT bring a power point to the tiered meeting.
- They should do the research, and probably bring a picture of MC48.
- And the tiered meeting should consider keeping a tally based on segment to see where the defects cluster.
- Consider an email on each defect sent to the materials designate containing the above data, a recommendation, and a review period defined to see if the recommendation delivered the desired results.