

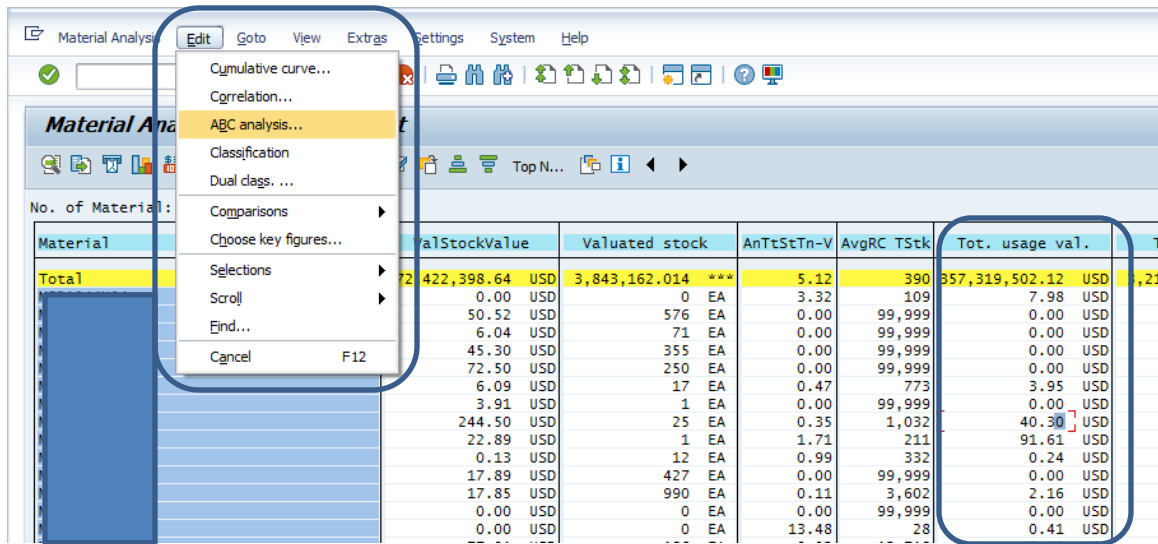
MC.9 and the Poor Man's Segmentation

Suppose you are poor and do not have the MRP Monitor. What can you do?

An option would be to make your own ABC XYZ HIJ using MC.9. To set up your MC.9, see my short article "MC.9 and Better Inventory Optimization".

First step is to select a 12 month date range, and execute the transaction.

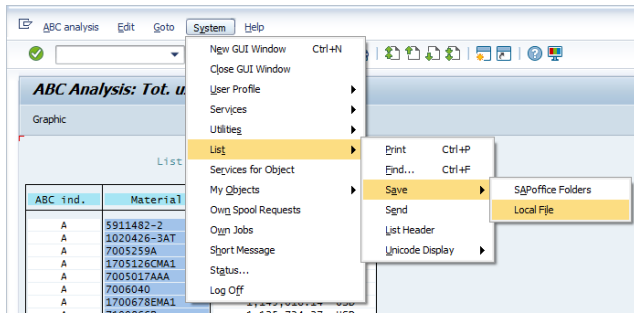
To get my ABC, I click into the total usage value field and then got to "Edit" and "ABC Analysis", and I then followed the prompts.



I get this. If I double click into the Segments I get the part level detail.

Segments	Material		Tot. usage val. in segment	
A segment	204	1.55 %	64,518,806.06 USD	70.02 %
B segment	417	3.17 %	18,416,108.54 USD	19.99 %
C segment	12,526	95.28 %	9,212,446.52 USD	10.00 %
Total	13147	100.00 %	92,147,361.12 USD	100.00 %

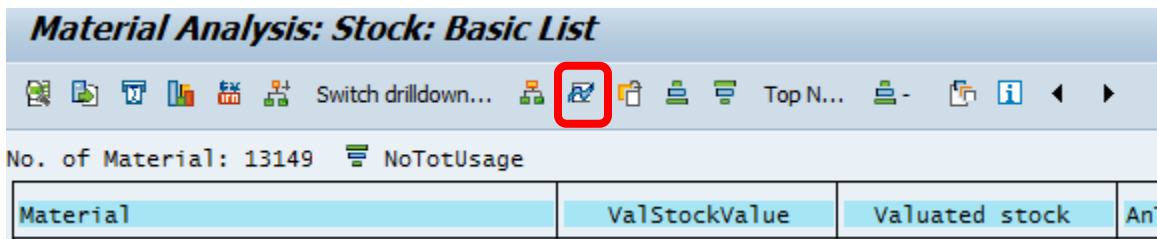
I can then export it to Excel. Repeat for the other segments.



To get my XYZ and HIJ I am going to use the number of totals usages for both.

For HIJ, I take the usages and start making up the rules. In my test population, there were 6,923 active part numbers. 500 (7% of the total part numbers) made up 70% of the total usages so I called them “H”. I could also have decided any item I used 250 times or more a year was an “H”. The point is make some decisions, look at the data, and get some meaningful differentiation into my planning around HIJ.

Next, I single click into the number of total usages column and then use the time series icon to get it into monthly buckets.



You will get something like the below. Export it to excel, calculate the average, the standard deviation, and the coefficient of variation, and assign your “XYZ” based on the variation.

	05/2018	06/2018	07/2018	08/2018	09/2018	10/2018	11/2018	12/2018	01/2019	02/2019	03/2019
	15	12	23	5	5	32	12	13	16	2	
	0	0	0	0	0	0	0	0	0	0	
	7	29	14	19	17	15	17	20	12	8	
	15	12	24	5	5	32	12	13	16	1	
	2	33	12	0	0	37	9	15	1	2	1
	0	0	0	1	0	1	0	0	1	0	
	2	2	3	3	7	6	8	6	8	3	
	0	2	2	1	7	6	8	6	8	3	
	0	2	2	1	8	6	8	6	8	3	
	0	0	0	0	0	0	1	0	0	0	
	0	0	0	0	0	0	0	0	0	0	
	0	0	0	0	0	0	0	0	0	0	
	26	12	41	11	38	41	44	34	49	51	4
	250	155	178	193	143	110	107	77	121	75	6
	8	7	0	15	11	1	14	3	2	14	
	6	2	2	4	0	2	1	3	2	1	
	15	12	23	5	5	33	14	14	16	2	
	0	0	1	0	0	0	0	1	0	0	
	15	12	23	5	5	32	12	13	16	2	
	250	156	177	189	143	110	106	69	120	74	6
	1	2	3	6	3	3	3	6	3	4	

Is this perfect? No. But at least it is move forward in terms of understanding how your parts are behaving, and working with segmentation.