## Order Policy Codes

### Item Master Fields        (X = required field)

| Order Policy | Lot Size | Incremental Order Qty. | Order/ Setup Cost | Standard Cost | Period Days | System Parameters |
|---|---|---|---|---|---|---|
| A. Discrete (one for one) | | | | | | |
| F. Least Cost | | | X | X | | Holding Cost Percentage |
| G. Period Order Quantity (Variable Period) | | | | | X | Default Period Days* |
| H. Discrete Above the Standard Lot Size | X | | | | | |
| I. Incremental Above Standard Lot Size | X | X | | | | |
| J. Multiple of the Standard Lot Size | X | | | | | |
| K. Period Order Quantity (fixed period) | | | | | | X** |
| Blank Order Policy Code (Reorder Point)*** | | | | | | |

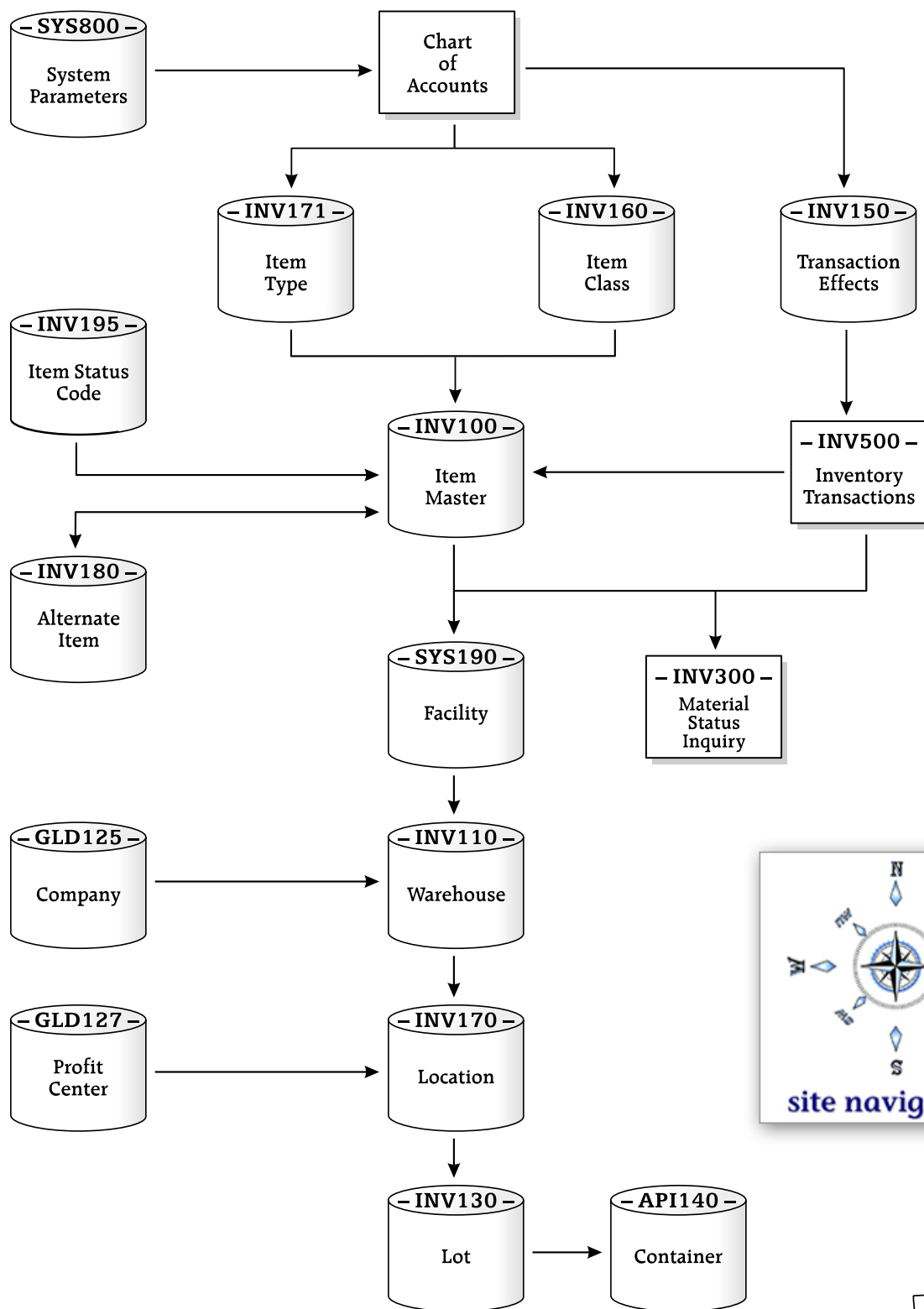*   The system default Period Days for Order Policy G (Period Order Quantity) are defined in the SYS800 Parameters Generation Program: Days for period lot sizing.

**   The Period Days for Order Policy K (Period Order Quantity for fixed defined period) are defined in JIT100/ SYS800 JIT Planning Period Data Maintenance.
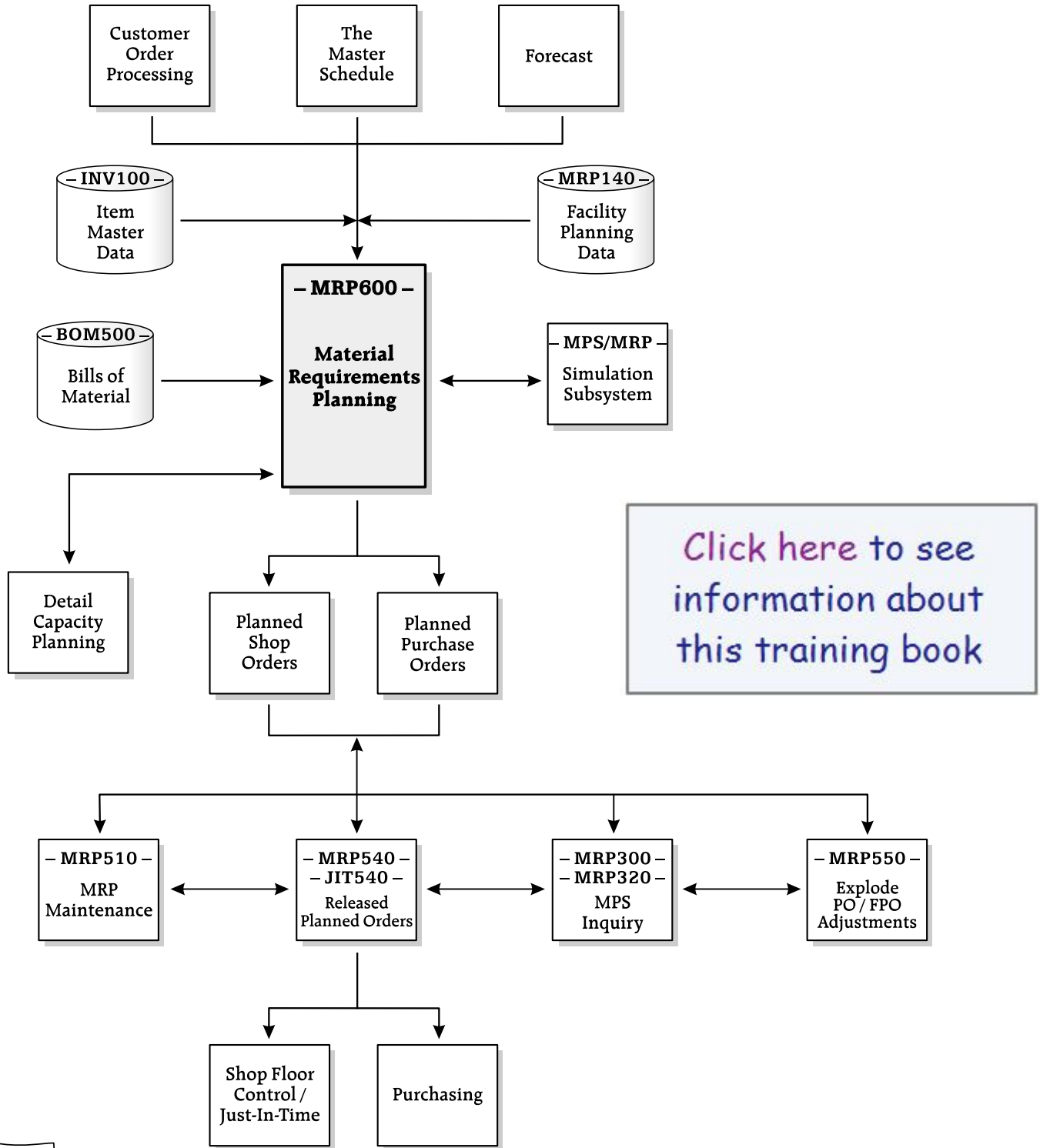
***   Item not planned by MRP.

*Click here to see information about this training book*
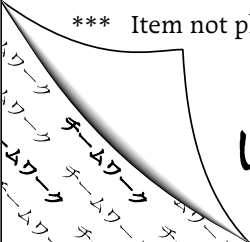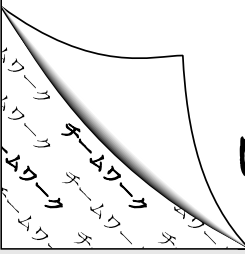
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# Inventory Management Process Flow

```
┌─ SYS800 ─┐                    ┌──────────┐
│          │                    │ Chart    │
│ System   │ ──────────────────▶│ of       │──────────────────────┐
│ Parameters│                    │ Accounts │                       │
└──────────┘                    └──────────┘                       │
                              ┌──────┴──────┐                      │
                              ▼             ▼                      ▼
                        ┌─ INV171 ─┐  ┌─ INV160 ─┐          ┌─ INV150 ─┐
                        │          │  │          │          │          │
                        │ Item     │  │ Item     │          │Transaction│
                        │ Type     │  │ Class    │          │ Effects  │
                        └──────────┘  └──────────┘          └──────────┘
┌─ INV195 ─┐                 │             │                      │
│          │                 └──────┬──────┘                      │
│ Item Status│                      ▼                             ▼
│ Code     │            ┌─ INV100 ─┐               ┌─ INV500 ─┐
└──────────┘ ──────────▶│          │◀──────────────│          │
                        │ Item     │               │ Inventory│
             ──────────▶│ Master   │               │Transactions│
      ┌─────┘           └──────────┘               └──────────┘
      ▼                      │
┌─ INV180 ─┐                 │
│          │                 │
│ Alternate│                 ▼
│ Item     │           ┌─ SYS190 ─┐        ┌─ INV300 ─┐
└──────────┘           │          │        │ Material │
                       │ Facility │        │ Status   │
                       └──────────┘        │ Inquiry  │
                             │             └──────────┘
┌─ GLD125 ─┐                 ▼
│          │           ┌─ INV110 ─┐
│ Company  │ ─────────▶│          │
└──────────┘           │ Warehouse│
                       └──────────┘
                             │
┌─ GLD127 ─┐                 ▼
│          │           ┌─ INV170 ─┐
│ Profit   │ ─────────▶│          │
│ Center   │           │ Location │
└──────────┘           └──────────┘
                             │
                             ▼
                       ┌─ INV130 ─┐        ┌─ API140 ─┐
                       │          │        │          │
                       │ Lot      │ ──────▶│ Container│
                       └──────────┘        └──────────┘
```

site navigation

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## MRP Process Flow

```
┌──────────────┐   ┌──────────────┐   ┌──────────────┐
│   Customer   │   │     The      │   │              │
│    Order     │   │    Master    │   │   Forecast   │
│  Processing  │   │   Schedule   │   │              │
└──────────────┘   └──────────────┘   └──────────────┘
```

- INV100 -
Item Master Data

- MRP140 -
Facility Planning Data

- MRP600 -
**Material Requirements Planning**

- BOM500 -
Bills of Material

MPS/MRP
Simulation Subsystem

Detail Capacity Planning

Planned Shop Orders

Planned Purchase Orders

Click here to see information about this training book

- MRP510 -
MRP Maintenance

- MRP540 -
- JIT540 -
Released Planned Orders

- MRP300 -
- MRP320 -
MPS Inquiry

- MRP550 -
Explode PO / FPO Adjustments

Shop Floor Control / Just-In-Time

Purchasing

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## *Key Program Features*

### Facility Planning Data Maintenance .................... MRP140

### Significant MPS/MRP Fields

*...cont. from the previous page*

> ― MRP140 ―
>
> Facility
> Planning
> Data

∇ Minimum balance: **days** / periods
(Dynamic minimum balance)

Enter the number of days per periods to be used to calculate the dynamic minimum balance. The system will multiply the average daily requirement by the minimum balance days to obtain the net dynamic minimum balance.

Gross requirements are calculated in MPS / MRP using the order policies first, then the dynamic minimum balance is calculated and updated to the new dynamic minimum balance on the Item Master.

*Example:*

| Periods | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
|---|---|---|---|---|---|---|---|
| Requirements | 5 | 1 | 0 | 6 | 5 | 1 | 10 |

If the Minimum Balance Horizon Days / Period = 7,
   and the Minimum Balance Days / Periods = 3,
   then the Average Daily Requirement is $(5+1+0+6+5+1+10) \div 7 = (28) \div 7 = 4$,
   and the Dynamic Minimum Balance is $4 \times 3 = 12$.

If the Minimum Balance Horizon Days / Period = 4,
   and the Minimum Balance Days / Periods = 1,
   then the Average Daily Requirement is $(5+1+0+6) \div 4 = (12) \div 4 = 3$,
   and the Dynamic Minimum Balance is $3 \times 1 = 3$.

∇ Lead time days

Enter the lead time days for this item / facility.

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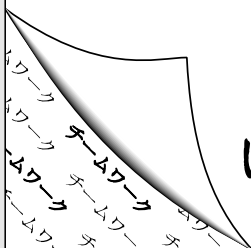
# *Available-to-Promise Inquiry*

Click here to see information about this training book

Minimum Balance ..................... 100

System Date ...........................June 1

On-hand ...................................... 400

Manufacturing Allocations ............ 0

Customer Allocations ............... 850

On Order ..................................... 375

Non-nettable ................................. 0

| Promise by Date* | Customer and Manufacuring Allocations | Scheduled Receipts | Planned Receipts | Available to Promise (ATP) | Cumulative ATP | Projected On Hand** |
|---|---|---|---|---|---|---|
| **Past Due** | | | | | | |
| May 31 | 0 | 0 | 0 | 0 | 0 | 400 |
| | | | | | | |
| **Current Period** | | | | | | |
| June 7 | 150 | 75 (SO) | 0 | 25 | 25 | 325 |
| June 14 | 300 | 0 | 0 | 0 | 25 | 25 |
| June 21 | 200 | 350 (300 = SO 50 = FPO) | 0 | 150 | 175 | 175 |
| June 28 | 100 | 125 (FPO) | 0 | 25 | 200 | 200 |
| July 5 | 100 | 100 (FPO) | 25 | 0 | 200 | 200 |

* Promise by Date = Ending Date of the Period.
  Length of periods are user-defined in the inquiry (1–999 days).

** Projected on hand gives "feeling" that more are available.

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