

Material Requirements Planning

MRP

Optimized Demand Planning ensuring sufficient Material Availability

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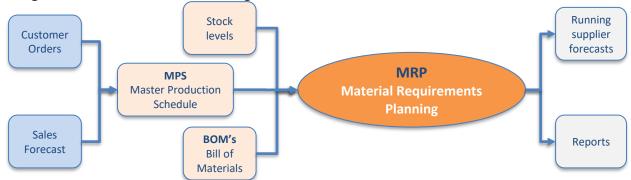
Materials Requirements Planning (MRP) is used for keeping track of raw material deliveries in line with the needs of the Customer and Production Department

Although the benefits of the MRP-functionality in ERP-systems are known, there are a lot of companies which are not or only partially making use of it. A well set-up MRP helps to keep track on changes in customer demands, control supplier delivery status and keep stock levels low

The Issue:

In many companies the MRP-functionality of ERP-systems is not in use, instead Excel spreadsheets have been set up by planners leaving the company vulnerable in case of holidays and sickness leave as the data are not centralized. Tracking customer demand changes, missing live links to material stock levels and the restricted possibilities of following up supplier delivery status are all **noise factors reducing efficiency** of the materials requirements planning process to suppliers

A well set-up and maintained MRP in your ERP-system creates excellent opportunities to keep track on customer demand changes, create running forecast on a weekly and monthly basis, review supplier delivery performance, and to push stock levels significantly down without risking material stock-outs or violating Customer Service levels



Supply Chain Consultancy Solution:

By reviewing your MRP set-up, regardless which ERP-system is used, Inefficiencies & Waste will be identified and potentials for improvements highlighted. In case MRP is not used at all, a support by setting MRP bottom-up is offered as well

Supply Chain Consultancy Methodology:

Review of basic MRP-settings per each item like Lead Times, Safety Times, Order Frequency, comparison of (safety) stock levels versus demand, highlight significant difference between Customer Demand versus Minimum Order and Packaging Quantities

Interested? Contact us under jelle.van-der-haak@supplychainconsultancy.at

