



Chapter XIII

Conclusion

Current Problems

The implementation of the Production Planning and Control (PP) module of the SAP system uncovered a need to provide an effective computer support to related managerial decisions not covered by typical SAP applications. Examples are given in subsequent paragraphs.

The manufacturing process requires an updated short-term forecast each week. Sales managers must produce the forecast, and then it is automatically processed within the master production scheduling. Sales figures for individual products have to be provided on a weekly basis for the current month and the next month. Actual sales made each week are captured and available for reporting on the following morning (after actual sales completion). Sales staff compare actual sales with long-term forecasts and, using judgment, make necessary adjustments. Currently forecasts are prepared manually and then put into the database. The process needs computer support to relieve sales personnel and to eliminate data entry.

Stock control of raw material and finished items needs double checking. Initially, the line manager puts the data about actual production and actual use of raw materials into the database, using the process “completion and confirmation of the production order.” However, due to possible conflict of interests, this data is not absolutely reliable. The actual amounts of goods produced should be verified from the store of finished-goods entries. This data indicates the actual use of raw materials as well. Any variances must be investigated; hence, the necessary data must be kept in the database.

Based on the MRP process, the system can recommend requirements for purchasing of materials up to the planning horizon. These requirements can be reviewed, maintained, and automatically generated into purchase orders. Changes to the following week’s forecast may require purchase orders to be maintained in order to update quantities of materials to be purchased.

More thought is required on the handling of rejects/seconds, as some are almost planned by-products. This will also have ramifications with stock control and sales analysis.

Epilogue and Lessons Learned

The implementation of the Production Planning and Control (PP) module of the SAP system was successful. The new planning system used only standard SAP software. However, it required agreeing to some difficult tradeoffs between the targeted efficiency and achieved efficiency.

The planning staff (the master scheduler) and line schedulers learned some lessons in computer support issues:

1. The desired degree of automation in MPS and aggregate capacity planning is not achievable by the standard software. Moreover, it is not achievable even with individual programming, because it involves too much creative work that is difficult to formalise.
2. The line scheduling could not be sufficiently computerised, because it is mostly informal. The rules for batching products and assigning crews are so complex that it is difficult to produce a working algorithm. It seems that the best computer support is given just by a well-run database.

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