

Supply chain planning and execution process

Cheat-sheet

Supply Chain Cycle

Input

- Financial targets set
- Operational targets set
- Forecast submitted

Plan

- Input data generated
- Plan generated
- What-if review

Execute

- New sales orders received and quoted
- Shipments go to customers
- Build starts are reviewed and sent to the factory
- New purchase orders are sent to suppliers

Input to supply chain plan

Financial targets

- MSOH

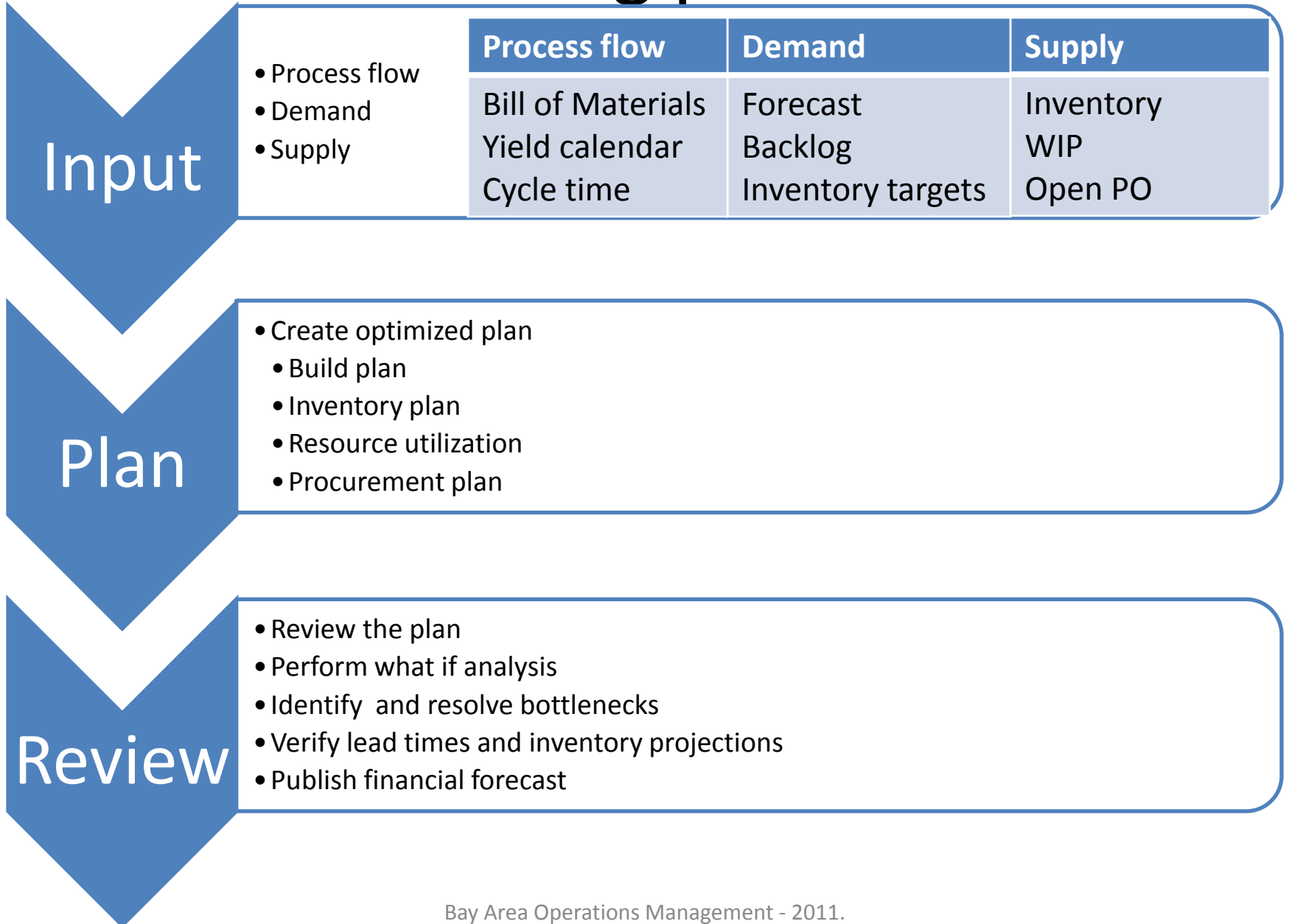
Operational targets

- Required delivery performance (ie. 70% on time delivery)
- Required inventory allocation (ie. 50% raw materials, 50% finished goods)
- Required lead times
- Customers categories

Forecast

- Published by Marketing organization
 - Based on customer forecast, inventory in channels, past history
- Reviewed in a face to face meeting
- Outliers ,infeasibilities identified
- Convert high level forecast to part number/week

Planning process



Input

<ul style="list-style-type: none"> • Process flow • Demand • Supply 	Process flow	Demand	Supply
	Bill of Materials Yield calendar Cycle time	Forecast Backlog Inventory targets	Inventory WIP Open PO

Plan

- Create optimized plan
 - Build plan
 - Inventory plan
 - Resource utilization
 - Procurement plan

Review

- Review the plan
- Perform what if analysis
- Identify and resolve bottlenecks
- Verify lead times and inventory projections
- Publish financial forecast

Execute

Process incoming sales orders

- Verify the lead times for out-of-the-ordinary values, resolve abnormalities
- Identify and resolve changes to previously scheduled orders
- Publish lead time table to customers
- Receive new sales orders, allocate available material, compute promise date

Ship to customers

- Allocate material to orders in allocation window
- Release pick and pack orders to initiate shipment process

Build starts

- Verify build recommendations for out-of-the-ordinary values
- Use rounding, optimal build quantity, and load frequency per guidelines
- Verify and ensure capacity is available to support required build starts
- Release build orders to the factory

Purchase orders

- Review suggested replenishments
- Use rounding, optimal order quantity and frequency of PO placement guidelines
- Release purchase orders to suppliers