



Argentis Consulting

Apparel & Footwear

MRP Setup and Process



SAP[®] Certified
SAP Business One Integration

SAP[®] Qualified
Solution for SAP Business One

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1.1 Introduction

The Material Requirements Planning (MRP) module enables you to plan material requirements for a manufacturing or procurement process based on the re-evaluation of existing inventories, demands, and supplies on changing planning parameters (such as lead time determination, make or buy decisions, and holiday planning).

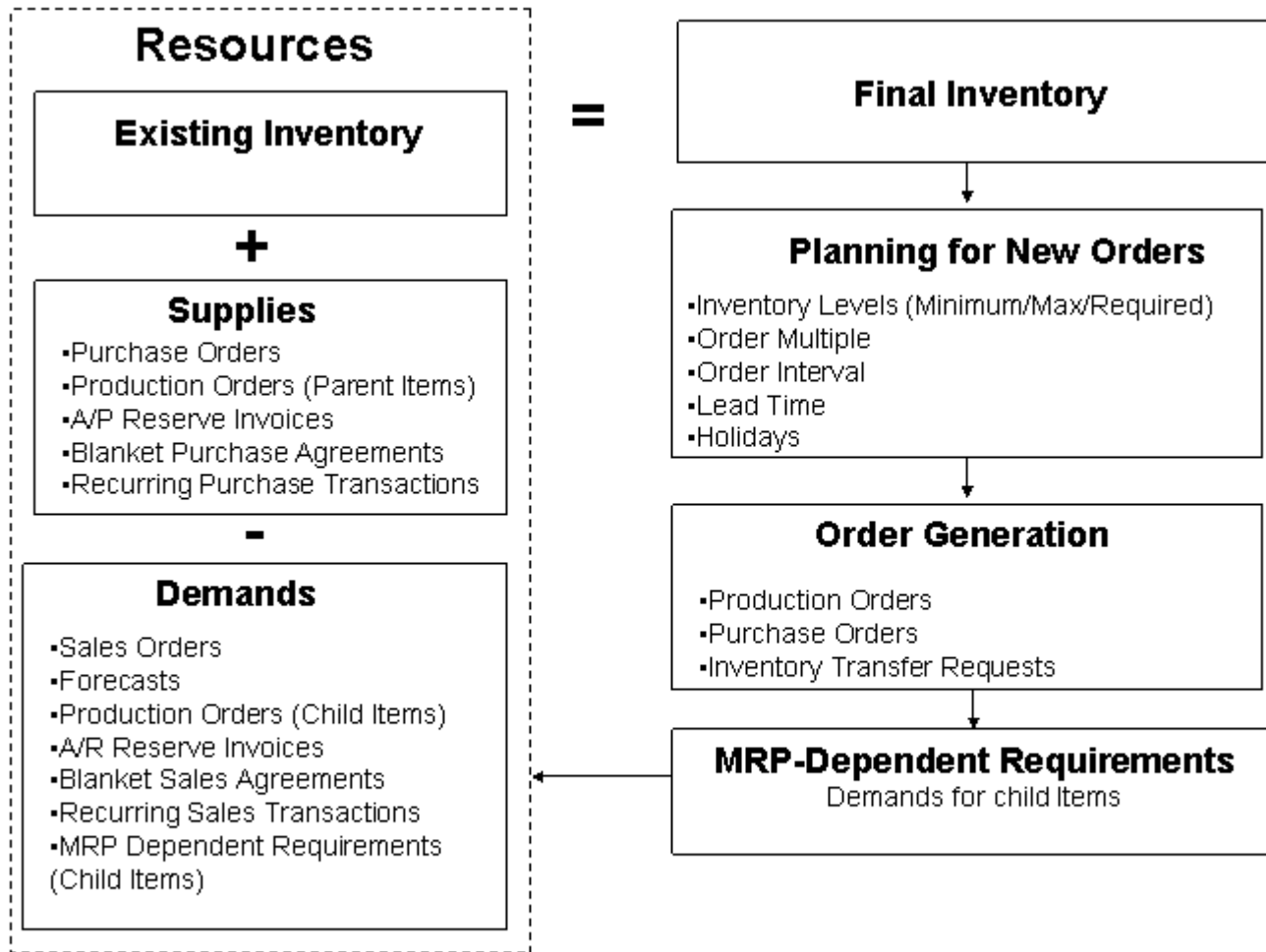
MRP calculates gross requirements for the highest bill of materials (BoM) level, based on existing inventory, sales orders, purchase orders, production orders, forecasts, and so on. It calculates gross requirements at the lowest BOM levels by carrying down net parent demands through the BOM structure. Dependent levels might have their own requirements, based on sales orders and forecasts.

The results of the MRP run are report and recommendations that fulfil gross requirements by taking into consideration the existing inventory levels and existing purchase orders and production orders. The MRP run also takes into account predefined planning rules such as Order Multiple, Order Interval, Minimum Order Quantity, Inventory Level, and so on.

1.2 MRP - Settings

The Material Requirements Planning (MRP) function lets you plan material requirements for complex manufacturing and procurement processes. To create and run MRP scenarios, you use the MRP wizard. The wizard generates recommendations (production orders, purchase orders, and inventory transfer requests) required to produce or procure the final product on time and in the required quantity. In the Order Recommendation report, you create production and purchase orders based on these recommendations.

The MRP Process in SAP Business One as follow below:



1.3 MRP Settings

- **Planning Method** - Only items with the Planning Method of MRP are available for selection when you are running the MRP wizard.
- **Procurement Method**- The procurement method affects the order type MRP recommends for items with demands.

For materials and packaging item the planning and procurement method should be MRP/BUY

Item Master Data

Item No. Manual SS001-WHT-XXXL

Description Long Sleeve Value Denim Shirt White Shirt 3x Large

Foreign Name Long Sleeve Value Denim Shirt

Item Type Items

Item Group Items

UoM Group Manual

Price List Price List 01

Model SS001

Bar Code 287638000057

Unit Price Primary Curr INR 1,200.00

Inventory Item ☒

Sales Item ☒

Purchase Item ☒

General Purchasing Data Sales Data Inventory Data **Planning Data** Production Data Properties Remarks Attachments Production

Planning Method MRP

Procurement Method Buy

Order Interval

Order Multiple

Minimum Order Qty 0.00

Lead Time 0 Days

Tolerance Days

For finished goods item the planning and procurement method should be MRP/BUY

Item Master Data

Item No. Manual SS001-WHT-XXXL

Description Long Sleeve Value Denim Shirt White Shirt 3x Large

Foreign Name Long Sleeve Value Denim Shirt

Item Type Items

Item Group Items

UoM Group Manual

Price List Price List 01

Model SS001

Bar Code 287638000057

Unit Price Primary Curr INR 1,200.00

Inventory Item ☒

Sales Item ☒

Purchase Item ☒

General Purchasing Data Sales Data Inventory Data **Planning Data** Production Data Properties Remarks Attachments Production

Planning Method MRP

Procurement Method Make

Component Warehouse From Bill of Materials Line

Order Interval

1.4 BOM Wizard

The Finish Good should have created the BOM. To Create the BOM, select the Cost sheet first, and then select “BOM Wizard”, as the image below:

The screenshot displays the 'Product' form in the Argentis system. The form is divided into several sections for product details, including Doc. Numbering, Style Code, Description, Customer's Style, Status, Product Line, Product Group, AF Segmentation, SAP Item Group, Season, Collection, Sub-Collections, Composition, Symbols Group, and Brand. It also includes fields for Merchandiser, Division, Year, Owner, Country of Origin, Drop, Ship Start Date, Ship Cancel Date, Customer, Vendor, Main Warehouse, Secondary Warehouses, Price List, Currency, and Price. A list of checkboxes on the right allows selection of item types: Inventory Item, Sales Item, Purchased Item, Fixed Assets, Active, and Raw Material. A preview of a green dress is shown on the right side of the form.

Below the form, a table lists the product's cost sheets. The table has columns for #, Code, Description, and Selected. The first row shows a cost sheet with Code 'PD0001' and Description 'cost sheet', which is selected (indicated by a checkmark in the 'Selected' column). A red circle with the number '1' is placed next to the 'Selected' column header.

At the bottom of the form, there are buttons for 'Add Cost Sheet', 'BOM Wizard', 'OK', 'Cancel', 'Copy From', 'Duplicate', 'Events and Activities', 'Create UPC Codes', and 'Generate SKUs'. A red circle with the number '2' is placed next to the 'BOM Wizard' button.

1.5 MRP Run-Process

- Before run MRP first needs to create a sales forecast. The forecast can be created on daily, weekly and monthly.

Forecasts

Forecast Code: APRLSHRT
Forecast Name: Apparel Shirt
Start Date: 01/05/16 End Date: 31/12/16
View: Monthly

Item No.	Item Description	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.
1	A3001-BLK-2XL Air Jacket Black General 2 Extra Large	200	300	1,200	540	329	100	190	300
2	A3001-BLK-3XL Air Jacket Black General 3 Extra Large	200	300	1,200	540	329	100	190	300
3	A3001-BLK-4XL Air Jacket Black General 4 Extra Large	200	300	1,200	540	329	100	190	300
4	A3001-BLK-L Air Jacket Black General Large	389	278	399	900	146	678	530	60
5	A3001-BLK-M Air Jacket Black General Medium								
6									

OK Cancel Generate Forecast

13/05/16

Last record: [2:1]

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- Then need to run the MRP wizard and click on “Next”

Main Menu

Apparel & Footwear manager

Modules Drag & Relate My Menu

- Administration
- Financials
- Opportunities
- Sales - A/R
- Purchasing - A/P
- Business Partners
- Banking
- Inventory
- Resources
- Production
- MRP
 - Forecasts
 - MRP Wizard
 - Order Recommendation

MRP Wizard

You use the MRP wizard to plan material requirements at the company level or for specific warehouses.

The MRP wizard guides you step-by-step through the scenario definition and recommends what purchase orders, production orders, and inventory transfer requests should be created to cover the specified demand.

Cancel Back Next Run

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- Create new scenario with a date range and save the scenario for future use and click on “Next”

MRP Wizard - Apparel Shirt

Scenario Details
Define the planning horizon that you want to display in the MRP report.

Description: Apparel Shirt

Planning Horizon
Start Date: 01/05/16
End Date: 31/12/16
View Data in Periods Of: 1 Months
Planning Horizon Length: 8 Months

Consider Holidays For:
☒ Production Items
☐ Purchase Items

☐ Ignore Cumulative Lead Time

Display Preferences
Sort By: Assembly Sequence
☐ Display Items with No Requirements
☐ Display Selected Items Only
☒ Simulation

Buttons: Save Scenario, Cancel, Back, Next, Run

Step 2 of 6

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- Next need to choose the inventory data source where you can mention the list of warehouses and click on “Next”

MRP Wizard - Apparel Shirt

Inventory Data Source
Define which storage locations and warehouse as well as which sources of demand and supply to include in the MRP run.

Run By:
☐ Company - Consolidate existing inventory, demand, and supply into default warehouse only.
☒ Warehouse - Include existing inventory, demand, and supply separately for each warehouse.

Include Data Source

Include Existing I...	Include Demanc	Include Supply	Location	Warehouse ...
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Kolkata	01
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		02
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		03

Buttons: Expand, Collapse, Save Scenario, Cancel, Back, Next, Run

Step 4 of 6

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- Need to choose the document sources (i.e. Sales, Purchase, Production and Inventory Transfer) which will be included in the MRP run.
- Choose inventory level and forecast as created earlier.
- Choose the recommendation either purchase requests or purchase order.
- Click on “Run” to get the MRP report and recommendation.

The screenshot shows the SAP MRP Wizard - Apparel Shirt interface. The 'Documents Data Source' window is open, allowing users to define data sources and documents for the MRP calculation. The 'Time Range' is set to 'Within Planning Horizon'. Under 'Sources of Demand and Supply to Be Included in MRP Calculation', 'Purchase Orders', 'Sales Orders', and 'Production Orders' are checked. The 'Inventory Level' is set to 'Required' and the 'Forecast' is set to 'APRLSHRT'. Under 'Recommendations', 'Purchase Orders' is selected. The 'Run' button is highlighted with a red arrow.

➤ See the MRP report

File Edit View Data Go To Modules Tools Window Help

MRP Wizard - Apparel Shirt

MRP Results
On the "Report" tab, you may toggle the final inventory quantity either before or after the MRP run with the "Preview MRP Run Results" checkbox.

Planning Horizon **01/05/16 - 31/12/16** Calculated At 17:06

Find Item No.

Report Recommendations

☒ Preview MRP Run Results ☐ Filter Possible Problem Items

#	Item No.	Item Description	Past Due Data	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Future Data
	Initial Inventory					60	60	60	60	160	60	60
	Supply			60	300	1,200	540	429		190	300	
	Demand				300	1,200	540	329	100	190	300	
	Final Inventory			60	60	60	60	160	60	60	60	60
2	AJ001-BLK-3XL	Air Jacket Black General 3 Extra Large		390	1,200	540	329	100	190	300		
	Initial Inventory				90	90	90	90	190	90	90	90
	Supply			90	300	1,200	540	429		190	300	
	Demand				300	1,200	540	329	100	190	300	
	Final Inventory			90	90	90	90	190	90	90	90	90
3	AJ001-BLK-4XL	Air Jacket Black General 4 Extra Large		480	1,200	540	329	100	190	300		
	Initial Inventory				180	180	180	180	280	180	180	180
	Supply			180	300	1,200	540	429		190	300	
	Demand				300	1,200	540	329	100	190	300	
	Final Inventory			180	180	180	180	280	180	180	180	180
4	AJ001-BLK-L	Air Jacket Black General Large		428	399	900	146	678	530	60		

Expand/Collapse Save Recommendations Save Scenario

Step 6 of 6

Cancel Back Next Finish

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➤ See the recommendation

File Edit View Data Go To Modules Tools Window Help

MRP Wizard - Apparel Shirt

MRP Results
On the "Report" tab, you may toggle the final inventory quantity either before or after the MRP run with the "Preview MRP Run Results" checkbox.

Planning Horizon **01/05/16 - 31/12/16** Calculated At 17:06

Find Item No.

Report Recommendations

#	Order Type	Item No.	Item Description	Quantity	UoM Code	UoM Name	Release Date	Due Date	Vendor Code	Unit Price	Discount	Price After Discount	From Whse	To Whse	Total	Qty (Inventory ...
39	Production Order	AJ001-BLK-L	Air Jacket Black General Large	530	Manual		24/10/16	01/11/16			0.00		01			5
40	Production Order	AJ001-BLK-L	Air Jacket Black General Large	60	Manual		23/11/16	01/12/16			0.00		01			
41	Production Order	AJ001-BLK-M	Air Jacket Black General Medium	30	Manual		20/05/16	25/05/16			0.00		01			
42	Production Order	AJ001-BLK-M	Air Jacket Black General Medium	30	Manual		20/05/16	25/05/16			0.00		02			
43	Production Order	AJ001-BLK-M	Air Jacket Black General Medium	30	Manual		20/05/16	25/05/16			0.00		03			
44	Purchase Order	M01-BLU	Tela Jeans Blue	1,150	Manual		13/05/16	20/05/16			0.00		01			1.1
45	Purchase Order	M01-BLU	Tela Jeans Blue	10	Manual		13/05/16	20/05/16			0.00		02			
46	Purchase Order	M01-BLU	Tela Jeans Blue	10	Manual		13/05/16	20/05/16			0.00		03			
47	Purchase Order	M01-BLU	Tela Jeans Blue	556	Manual		17/05/16	24/05/16			0.00		01			5
48	Purchase Order	M01-BLU	Tela Jeans Blue	600	Manual		18/05/16	25/05/16			0.00		01			6
49	Purchase Order	M01-BLU	Tela Jeans Blue	600	Manual		19/05/16	26/05/16			0.00		01			6
50	Purchase Order	M01-BLU	Tela Jeans Blue	600	Manual		20/05/16	27/05/16			0.00		01			6
51	Purchase Order	M01-BLU	Tela Jeans Blue	798	Manual		16/06/16	23/06/16			0.00		01			7
52	Purchase Order	M01-BLU	Tela Jeans Blue	2,400	Manual		17/06/16	24/06/16			0.00		01			2.4
53	Purchase Order	M01-BLU	Tela Jeans Blue	2,400	Manual		20/06/16	27/06/16			0.00		01			2.4

Save Recommendations Save Scenario

Step 6 of 6

Cancel Back Next Finish

13/05/16 17:10

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Argentis Consulting is dedicated to the development, distribution and support of recognized certified solutions for SAP Business One, as an SSP (Software Solution Provider) with a Gold Partner status.

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