

MRP GUIDELINES

How to configure and run Demand Driven MRP for reliable time to shipment, efficient inventory, and on-time delivery.



Demand Driven MRP responds only to firm demand from current sales orders. Item lead time, order policy, and supply pipeline settings work together to support efficient inventory and dependable shipment targets.



1. THE "BIG 3" MRP SETTINGS

1

All P Items Need Lead Days



Use realistic standard Lead Days for procurement time. Lead Days drive PO due dates, planning periods, higher-level lead time, and late PO tracking. Never pad or inflate them.

2

All M Items Need Job Days



Use realistic standard Job Days for production time. Job Days drive job dates, planning periods, higher-level lead time, and late job tracking. Never pad or inflate them.

3

Set the Right Order Policy



To Order items contribute lead time. Demand Driven and Manual Reorder Point items are planned for stock on hand. Avoid CTO job linking for standard items that should be strategically stocked.



2. STRATEGIC INVENTORY & TIME TO SHIPMENT

4

Refine Time to Shipment Targets



Adjust targets until they support your marketing goals. Strategic Demand Driven assignments can reduce pre-job lead time and speed shipment.

5

Use Demand Driven for Strategic Inventory



Use Demand Driven order policy with Monthly Potential Demand and Supply Days to keep the right stock on hand with the least inventory.

6

Use Supply Pipelines for Long Lead Items



For long lead P items, use Demand Driven planning so MRP creates staggered overlapping POs. Replace blanket POs with an MRP-driven supply pipeline.



3. SALES ORDER & MRP DISCIPLINE

7

Keep Required Dates Fixed



Leave the SO line Required Date as is for current orders because it drives MRP and priority. Use Expected Ship Date for customer communication and update it through Late Supply.

8

Run MRP Daily to Full Completion



Generate MRP every day and convert all planned Jobs and all planned POs in the same session to maintain complete demand profiles and date alignment.

9

React Only to Firm Demand



Use MRP Action Windows so supply is created only for current firm demand. Never create future Jobs or future POs outside the demand-driven architecture.



4. PURCHASING EXECUTION

10

Verify Supplier Prices Before PO Conversion



Update supplier prices before converting planned POs. Realistic PO prices are essential because PO receipt cost becomes the inventory cost basis.

11

Expedite Late POs Daily



Use PO Schedule and dependency views every day to monitor late POs and follow up with suppliers before dependent jobs are delayed.



5. SHOP CONTROL & SHIPPING

12

Release Jobs Only with Material



Release jobs only when materials are fully allocated. Release order preserves proper multi-level sequence and updates realistic finish dates.

13

Run Work Centers by Job Priority



Execute work center queues in calculated job priority order so late or large jobs rise appropriately and throughput improves.

14

Use Late Supply for Customer Dates



Late Supply helps office staff update Expected Ship Dates when jobs or purchase orders are running behind the Required Date target.

15

Use Picking Manager for Priority Shipping



Picking Manager allocates stock in Required Date order so shipments stay on time, in priority order, and aligned with company-wide demand.



Best practice: React to the firm, protect for the future; run MRP daily, release jobs only with material, and ship in required-date priority.

