ERPsim Activity Two--Production and Advertising

Spring 2009 Enterprise Systems

What’s next?

You've run out of stock for some products. Time to produce more.
You have some raw materials in inventory—enough for 100,000 units of each current product. This week's simulation focus: production without procurement.
Production execution process concepts

Master data
- Finished products
- Bill of material
- Raw materials

Business processes
- Create planned order
- Release production order
- Confirm production order
- Goods movements

Transaction data
- Production orders

Reporting
- Production scheduling, raw material cost per orders

Understanding production planning and execution
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**Planned order**—created during forecasting process. Has no initial consequences. Can be erased or changed.

**Planned order** released completed or partially becomes a **production order**.

**Production order** instructs shop floor to begin production. Cannot be erased or changed.

Release of production order triggers movement of raw materials to shop floor. Goods produced in order released.

Once production completed, **production confirmation** records consumption of raw materials and storage of finished products in finished goods storage.

Create planned orders
Convert planned orders

Raw materials are reserved
Production is confirmed

Inventories are changed accordingly
Process overview

- Stock levels
  - Current Material Overview (MND07)
  - Inventory report (YMID07)
  - Shows all stock levels

- Production schedule
  - Production schedule (ZCODS)
  - Shows released production orders, past and future. For each order the time released, started and finished (or to start and finish if incomplete). Target Qty > Conf Qty means still pending

- Planned orders
  - Create planned order (MV01)
  - Enter Material Code (Z15W)
  - Enter Gross Quantity
  - Enter today as stock and jar point

- Release production
  - Call Conversion of PO Orders (ROE1)
  - Select orders
  - Click on convert message confirms the conversion
  - If the planned order planned order could not be entered
  - Item on screen list, select and save

Raw material cost per production order

- ZMS81
  - Information System Accounting F/08: Raw Material Cost per PO

- Screenshot of SAP interface: EHP: Raw Material Cost per Production Order - Qtr 3 95
You need to know

Production capacity is 25,000 units per day.
When changing products, there is a 12 hour conversion cycle.
If you release too many production orders simultaneously, you will set your future production for many days
Try to remain flexible. Release production orders for the next few days and keep an eye on the market to figure out what to do next.

Advertising

Advertising can be used to draw market interest towards your product.
Product and region specific.
Investment spread equally over the remaining days in present quarter.
Overview of workflow so far

Sales/Marketing
  Setting of prices
  Setting advertising expenditures

Production
  Creating and releasing production orders

Overall
  Monitoring profit and available cash
  Monitoring market activity