

Module 2

Section E: Support Distribution Requirements Planning (DRP)

Term
Aggregate plan

A plan that includes budgeted levels of finished goods, inventory, production backlogs, and changes in the workforce to support the production strategy. Aggregated information (e.g., product line, family) rather than product information is used [...].

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Distribution requirements planning (DRP)

1) The function of determining the need to replenish inventory at branch warehouses. A time-phased order point approach is used where the planned orders at the branch warehouse level are "exploded" via MRP logic to become gross requirements of the supplying source. In the case of multilevel distribution networks, this explosion process can continue down through the various levels of regional warehouses (master warehouse, factory warehouse, etc.) and become input to the master production schedule. Demand on the supplying sources is recognized as dependent, and standard MRP logic applies. 2) More generally, replenishment inventory calculations, which may be based on other planning approaches such as period order quantities or "replace exactly what was used," rather than being limited to the time-phased order point approach.

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Distribution resource planning (DRP II)

The extension of distribution requirements planning into the planning of the key resources contained in a distribution system (warehouse space, workforce, money, trucks, freight cars, etc.).

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Exception report

A report that lists or flags only those items that deviate from the plan.

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Planned order

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A suggested order quantity, release date, and due date created by the planning system's logic when it encounters net requirements in processing MRP. In some cases, it can also be created by a master scheduling module. [These] are created by the computer, exist only within the computer, and may be changed or deleted by the computer during subsequent processing if conditions change. [While at one level, these] will be exploded into gross requirements for components at the next level. [Along with released orders, these] serve as input to capacity requirements planning to show the total capacity requirements by work center in future time periods. See: planning time fence.

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Planned order receipt

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The quantity planned to be received at a future date as a result of a planned order release. [These] differ from scheduled receipts in that they have not been released. Syn.: planned receipt.

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Planned order release

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A row on an MRP table that is derived from planned order receipts by taking the planned receipt quantity and offsetting to the left by the appropriate lead time. See: order release.

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Scheduled receipt

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An open order that has an assigned due date. See: open order.