

How to improve purchasing and other processes in the supply chain?



Objective :

- Find the Best Way to do the Job
- Better Methods to do the Job
- Reduce Time Taken to do the Job
- Better Visibility and Control

Previous Work Process - Back order and Replenishment of Stock Items

- 1) Buyer has to check all items individually from SAP system. (Back order and Replenishment of Stock Items - 342 stock items)
- 2) The following code has to be used in SAP for checking the back order, average usage and any outstanding PO to cover the back order.
 - ZM52 - Back order (Print out back order list and check every item using ZM55 & ME2N)
 - ZM55 - Check the Average quantity used. (go through every single item in SAP Screen)
 - ME2N - Check if there is any PO issued to vendor (go through every single item in SAP Screen)

Findings : It is very time consuming and inefficient to go through every single item in SAP screen.

New Work Process – Generate Report for Back order and Replenishment of Stock Items

- 1) Generate 3 reports from SAP.
 - Using Macro, Vlook up, Pivot table and conditional formatting to combine these 3 SAP reports into 1 report. (Back order and Replenishment of Stock items report)
 - By using the ctrl + W key, the below report will be generated.

Back Order and Replenishment of Stock Items Report - (STOCK QTY 342)

S/N	Material	Description	Average mth qty	Stock	Po qty	Back order	Remark
1	1304-11-003-A	Gown	8710	0	32000	2500	Action
2	1601-10-003-A	Ejector	109	0	750	395	Action
3	1200-05-004-A	Mask	409	0	800	174	Action
4	1160-07-011-A	Gauze	555	0	600	773	Action
5	1162-02-010-A	Glove	980	0	0	267	Action
6	1162-02-010-A	Glove	495	0	0	234	Action
7	1200-01-001-A	Mask	90	0	0	0	Action
8	0010-72-042-H	Anaesthesia	5038	2550	0	0	Action
9	0013-84-103-E	Chlorhexidin	234	73	0	0	Action
11	1162-02-008-A	Glove	60	104	0	0	No action
12	1162-02-009-A	Glove	7	42	0	0	No action
13	1162-02-011-A	Glove,	62	132	0	0	No action
14	1110-04-004-D	Bandage	3	4	24	0	No action
15	1162-02-012-A	Glove	2	5	4	0	No action

Back order - There are POs to cover the back order

Back order - There is no PO to cover the back order. Need to issue PO to vendor ASAP.

Stock Replenishment - Warehouse stock is not enough to cover the monthly qty needed and there is No Po to the vendor. Need to issue PO to vendor ASAP

Stock Replenishment - Warehouse stock enough to cover the monthly qty needed. So do not need "NO Action"

RESULTS

- 1) IMPROVE EFFICIENCY
- 2) REDUCTION IN TIME TAKEN (REDUCE BY MORE THEN 50%)
- 3) BETTER STOCK CONTROL
- 4) BUYER CAN CONCENTRATE ON VALUE ADDED JOB.
- 5) BETTER VISIBILITY FROM THE TABLE