Procurement planners are struggling every day with supplier constraints, perpetually changing material requirement plans and logistics issues. These challenges are on-top of static constraints such as order/order line minimum and incremental quantities and values, ordering, shipping, and receiving calendars. To complicate matters further, there is the ever present pressure to reduce costs. The supply chain organization directly controls 70-85% of the cost of goods within a manufacturing organization. With commodity price volatility is at a record high in the current hype connected world, how can a procurement planner navigate the constraints in a profitable manner?

PROCUREMENT PLANNING SOLUTION

Procurement Planning helps companies become effective enterprises by optimizing product flow and improving procurement decision-making in order to maximize efficiencies while managing constraints and costs. The Procurement Planning solution adopts a high visibility approach that graphically and intuitively provides planners with an informative workbench to support decision making and event simulation. Planners can visualize potential expedite or defer situations based upon demand fluctuation. Planners focus on prioritized exceptions ensuring effective and efficient planning. The Procurement Planning solution facilitates best-in-class procurement plans and processes across a company's supply chain by calculating optimal order and delivery schedules based on net requirements, inventory policies and logistics, and supplier constraints. It holistically incorporates material procurement plans into production and distribution plans.

Procurement Planning is available individually or as part of the QAD DynaSys demand and supply chain planning (DSCP) suite.

PLANNING & OPTIMIZATION

Companies need to develop highly effective plans for managing material procurement across centralized and decentralized supply chain networks. The comprehensive Procurement Planning capabilities provides specific support for suppliers with a variety of challenges; these include long lead-time, low-frequency-high-volume, standing order call-offs, and enforcing dual-sourcing rules. Planning must determine dynamic sourcing rules based on lead-time, unit of measure, and order quantity/value constraints. Planning must ensure ideal utilization of transportation resources.

The Procurement Planning solution provides structure and intuitive decision support to the chaos. To achieve this in the face of so many variables it uses optimization techniques to build the optimal constraint based plan.

This ensures a low cost and realistic plan. Procurement Planning considers a range of supplier and logistics constraints including:

- Procurement minimum/maximum/incremental volume and value.
- Order and shipping lead times. Frozen time fences and horizons.
- Multiple calendars support for ordering, shipping and receiving.
- Replenishment and buying cycles.
- Dual/multiple sourcing rules.
- Transportation minimum, maximum, and incremental volumes.

VALUE & BENEFITS

Improvements to procurement planning have tangible financial benefits to your enterprise. Procurement Planning improves purchasing control and visibility throughout your global supply chain. Specific benefits include:

- **Reduced material costs** due to optimized sourcing rule selection; optimal use of tiered pricing opportunities; early identification of defer decisions.
- **Reduced transportation costs** due to optimized resource utilization using future requirements to achieve optimal resource loading.
- **Reduced ordering costs** to reduce penalties for small order or broken outer. Procurement Planning sourcing rules ensure adherence to minimum and incremental quantity polices.
- **Improve customer satisfaction** with Procurement Planning smart logic "orders around" supplier non-trading periods (i.e. Chinese New Year) by adhering to dynamic ordering, shipping, and receiving calendars. Procurement Planning provides early identification of required "expedite" situations ensuring supply despite unforeseen consumption.
- **Reduce supply chain risk** by utilizing Procurement Planning dual sourcing rules to maintain multiple active supply sources for a given material.

- **Reduced time to plan** by generating realistic and optimal plans that adhere to calendar and supply constraints. Subsequent plan exceptions are prioritized so the planner works in a focused manner.

REDUCE RAW MATERIALS COST	BY AS MUCH AS **30%**
BOOST MANUFACTURING PRODUCTIVITY	BY AS MUCH AS **30%**
MINIMIZE EXCESS FINISHED GOODS INVENTORY	BY AS MUCH AS **50%**
REDUCE PROCUREMENT COSTS	BY UP TO **15%**
REDUCE SUPPLY CHAIN COSTS	BY UP TO **25%**

KEY CAPABILITIES

Supplier's calendars. Procurement Planning considers the suppliers capacity to receive an order and deliver an order. This is crucial to avoid stock outs during supplier non-trading periods. Procurement Planning is able to identify the requirements for the non-trading periods and place an early order in anticipation.

Requirements calculator. Procurement Planning can utilize several different replenishment models to determine procurement requirements. These include reorder-point quantity, days of supply, forecast driven, and Demand Driven Material Requirements Planning (DDMRP). Procurement Planning provides the ability to apply different replenishment models (dependent on SKU characteristics) within the same overall planning model.

Order size constraints. Procurement Planning considers minimum, incremental order sizes that can be applied both at an order and product line level.

Look ahead logic. Procurement Planning ensures maximum utilization of transportation resources by using smart look-ahead logic to partially expedite future requirements into the current requirement to maximize the utilization of a truck, shipping container etc.

Pegging. Costs and orders can be pegged at all levels of demand and supply throughout the planning model.

S&OP support. Procurement Planning automatically makes supply plans and simulated scenarios available to S&OP/IBP processes for tactical planning.

FUTURE PROOF TECHNOLOGY

QAD DynaSys cloud – safe, secure and available. Procurement Planning is available in the QAD Cloud. QAD Cloud services are ISO certified and carry SSAE15 SOC 1 Type II certification. Business continuity is assured with comprehensive disaster recovery planning.

Mobility. Procurement Planning user experience supports Web, mobile and touch screen user interfaces.
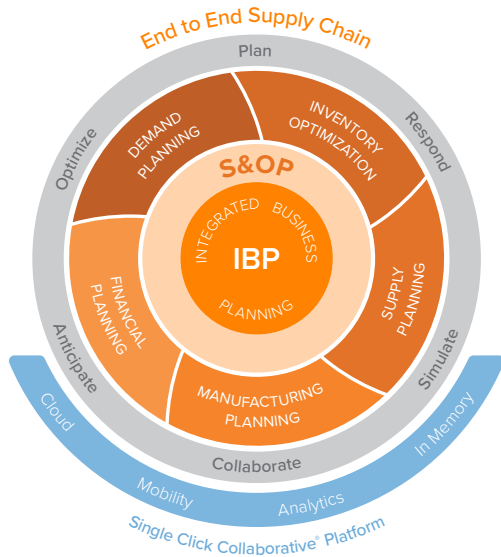
Analytics. As the IoT and machine learning deliver a greater number of data points, supply chain solutions must have a best-in-class capability to translate data into trends and decision grade analytics. Procurement Planning seamlessly embeds capability from Qlik, a leading business analytics provider. This provides a beautiful and pleasant to use data experience supporting responsive and accurate decision making.

In-Memory. Procurement Planning uses a highly scalable, rapid in-memory data model enabling real time simulation planning and effective decision support.

Integration. QAD DynaSys supports integration with QAD, SAP, Sage, JDE, Oracle, Infor, Microsoft and many other ERP and enterprise applications. It uses a data hub approach to exchange supply chain information across the organization and includes tool for building custom integrations.

QAD DYNASYS DSCP SUITE

QAD DynaSys has been empowering customers to improve productivity and profitability through better supply chain decision-making for over three decades. QAD DynaSys, a division of QAD, invests heavily in research and development to future proof our solutions.

QAD DYNASYS DSCP SUITE

Procurement Planning is available standalone or as part of the end-to-end DSCP solution.

Available Solutions

- Demand Planning
- Distribution Planning
- Production Planning
- Procurement Planning
- Network & Inventory Optimization
- S&OP
- DDMRP

At QAD DynaSys, we are helping our customers build the future of their supply chains.

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