Planned Delivery Time Evaluation

Applies to:
This document applies to SAP ECC 6.
For more information, visit the Supply Chain Management homepage.

Summary
Many of the values in Master Data that are maintained are based upon the past experiences and assumptions arrived during the creation of the Master Data. It’s now time to evaluate & fine-tune the values to the actuals rather than keeping the assumed values.

This document talks about values of Planned Delivery Time values that are maintained in Master Data, how to evaluate & align them and the benefits involved.

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# Table of Contents

Preview ...............................................................................................................................................................3

Planned Delivery Time........................................................................................................................................3

  Why to review Planned Delivery time? ...........................................................................................................3

New Reporting in ECC6 ..................................................................................................................................3

Step by Step Approach ...................................................................................................................................4

  Selection Screen..........................................................................................................................................................4

  More Selection Options................................................................................................................................................5

  Results Screen.............................................................................................................................................................5

Case 1: PDT Actuals Lower than Existing ......................................................................................................6

Case 2: PDT Actuals Higher than Existing .....................................................................................................7

Notes...............................................................................................................................................................7

Business Benefits............................................................................................................................................7

Other Benefits .................................................................................................................................................8

Related Content ..................................................................................................................................................9

Disclaimer and Liability Notice ..........................................................................................................................10
Preview

During these tough economic times, it’s imperative that we plug in the leaks in every possible ways to control the costs. This document might help you in saving some costs, not by changing existing business process but by simply fine tuning the values in Master Data. We’ll see how we can achieve this in one of the values in SCM – Planned Delivery Time.

Planned Delivery Time

In standard SAP, the Planned Delivery Time is the number of days needed to procure the material (Difference between PO Date & GR Date). It’s maintained in various Master data’s:

1. Material Master
2. Vendor Master
3. Purchase Info Record.

Primarily the data is taken from Purchase Info Record to Purchase Documents.

Why to review Planned Delivery time?

The existing values in Master Data that are maintained are based upon the past experiences and assumptions arrived during the creation of the Master Data. Like wise the days maintained in existing Planned Delivery Times for Materials pertain to some time in past.

Over a period of time, the actual PDT (Planned Delivery Time) could have changed due to various reasons.

Some Examples:

- Changes in geographical location of Vendor
- Changes in delivery capabilities of Vendor
- Changes in Transportation / Mode of transportation used by vendor
- Changes in GR processing time etc.

So it’s now high time to compare & analyze the PDT values that are maintained in master data Vs the actual Delivery Time.

New Reporting in ECC6

SAP has come up with a new transaction which makes easier for us to Compare & Analyze the Planned Delivery Time.

Transaction: WPDTC

In this new transaction we can evaluate the PDT in the following levels:

- Vendor wise
- Material wise
- Plant wise
- Purchase org wise

Or in combination of all the above.

Also we can evaluate PDT for a particular date range.
Step by Step Approach

Selection Screen

The selections can be done at various levels: Vendor, Plant, Material, Pur Org etc
More Selection Options

More Selection Options like Date ranges, Calculation in Calendar/Work Days etc. can be done.

After giving the desired inputs, execute the transaction.

Results Screen

Based on the given input, the system displays results with the following details:
Planned Delivery Time maintained in Info Record, Material Master & Vendor Master.
Also you can see in the blue colored column, the system calculated ‘Actual’ delivery time in days.
To view in a more detailed manner, select a row item and click on the ‘Expand’ button.
Planned Delivery Time Evaluation

Case 1: PDT Actuals Lower than Existing

In the above case, the PDT evaluation results shows that as per the selection criteria, the Material is always being delivered well in advance than the time maintained in the system.

By correcting the PDT values in the system, we can avoid procuring the material and storing days before the material usage.
Case 2: PDT Actuals Higher than Existing

In the above case, the PDT evaluation result shows that, the Material is mostly being delivered behind the schedule.

By correcting the PDT values, we can avoid ‘Out of Stock’ situations.

Notes

The PDT actuals values might deviate from the maintained PDT values either positively / negatively.

This function also supports in your decision of whether you want to keep the manually maintained planned delivery time or replace it with the calculated planned delivery time.

I.e. in this same transaction, we can update the ‘Actual’ PDT in any of the master data (Vendor, material and purchasing info record.)

Option for updating the ‘Actual’ PDT is available in the Selection screen (Evaluations Options tab)

Business Benefits

- Vendor Evaluations
  - Gives a clear picture to identify the bottleneck Material / Vendors in procurement.
  - Useful in Vendors Comparison & Evaluation.
- Inventory & Costing
  - Upon correcting (based on PDT evaluation) the PDT we can avoid overstock and out-of-stock situations.
  - Avoiding overstock situation directly leads to cost savings.
  - Avoiding out-of-stock situation improves Sales Process.
Thus the new functionality makes the Procurement process more cost effective.
Other Benefits

Upon capturing the Actual Delivery Time, it influences in calculation of advanced safety stock in APO SNP module. APO planning system has the ability to find out the Forecast Replenishment lead time error and include this in the planning algorithms and calculates the safety stock.
Related Content

- Service Market Place
- help.sap.com
- SAP Note 1141142

For more information, visit the Supply Chain Management homepage.
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