**APO - DP BOM Process**

**Applies to:**
Industries which have implemented “SAP SCM-Demand planning” (Release version from 4.1…).
For more information, visit the [Supply Chain Management homepage](#).

**Summary**
This article reveals the total process of APO - DP BOM, This process can be useful for the Industries which have implemented the APO DP

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**Introduction**

We can forecast dependent requirements in Demand Planning by using DP BOM. It determines the component parts of finished products through the production process model (PPM).

This can be useful if material components represent practical constraints on the forecast at finished product level; that is, the available quantity of components is fixed but they can be used in different finished products. This situation arises in the chemical industry. The planner can immediately see the impact of the product forecast on the fixed component level.

**Definition**

Source of supply for purchasing a product produced in-house production.

**Purpose**

The main purpose in the materials management organization is to provide the "right parts in the right quantities at the right time." But where do those material requirements come from? Whether or not demand is predictable, whether the materials are for production or maintenance, the requirements are usually generated from a bill of material (BOM). Without a complete and accurate BOM, decisions regarding material planning and replenishment are often made in a vacuum, resulting in excess inventory, stockouts, expediting charges and expensive downtime.

**Objective**

The objective of this article is to explain the Demand Planning Bill of materials by using PPM.
DP BOM Process

Create PPM by using Tcode: /sapapo/sc003

Give the description of plan and operation
Double click on operation (0010) activity screen will appear

Next activity screen appear here

Give the activity no and description and activity type.
Double click on activity (05)
Alternative components will appear their give the finished product indicator (o) and components product indicator (I) and variables of each product and press enter.

Choose Product Plan Assignment icon.
Give product process model (PPM) name and description and scroll the tab right side give Maximum lot size and minimum lot size.
Save and activate the PPM
Double click on ppm

Choose model assignment icon
Assign the model to 000 by choosing assign objects to model icon and continue.
Create Master Planning Object Structure for DP BOM.

Goto S&DP Administration (/sapapo/msdp_admin) to create MPOS

Choose relevant for DP BOM check box,
And transfer “9ALOCNO” copy from to pos,

Save and activate.

Choose create single characteristic combination
And give required location and product.
Create the same for remaining products and locations
Check whether cvcs are created or not, if cvcs created choose the add bom information

Give version 000 and execute

Update Characteristics Combinations with PPMs/PDS Information
Go back and choose display characteristics value combinations
And confirm 9APPMNAME and 9ABOMOI added or not for all cvcs
Create planning area for DP BOM.
Choose the below key figures
1. Independent demand
2. Dependent demand
3. And history
And choose details tab give semantic values
Independent demand 401
Dependent demand 501
History 001
Come back save and activate the planning area by creating time series objects.

Here maintain all SBP, TBP, maintain forecast profiles (MC96B), and planning books,

While creating master profiles always assign the forecast key figure is Independent demand only

While creating the DV's for planning book create 2 grids

1st grid for Independent demand and history keyfigurs

2nd grid for dependent demand.
View of Interactive Demand Planning Sheet

By choosing dependent display icon can generate the forecast at product levels and component levels, bomlevels, and so on.....
Related Content.

http://help.sap.com/saphelp_scm41/helpdata/en/e8/d47139f5a04c61e10000000a114084/frameset.htm
http://sapplanning.wordpress.com/2008/01/05/bom/

For more information, visit the Supply Chain Management homepage.
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