

Report of apics meeting held on 13th september

[Business](#)



Report APICS Meeting Held On 13th September The meeting was held to examine the declining market of the Chinese carsproduction. The problem has been extended to other countries such as Europe and United States of America who also depend on Chinese economy. According to New York Times report, the Chinese car factories are operating at 65 percent of their capacity. This report will highlight the after-dinners presentation summary and the summary discussed by other two regular members. With advancement in market demand and the circumstance, there is a need to transform the approach to planning. From 1920s to 1965s, the most approach used was the Inventory Planning. It started when the Material Requirement Planning (MRP) was in place. In 2011, the plan was renamed to Demand Driven Material Requirement Planning (DDMRP). Since its indroduction, it has replaced other methods such as statistical inventory control, inventory management and production. The MRP principle has been in place since 1950s and it was implemented mostly by buyers and ERPs. It was until 1970s when MRP was commercialized but its principle still exists. In application of MRP strategy planning, there are various issues such as order point systems, timephase order point and understanding the theory of constraint. The Aberdeen Group research conducted in December 2010 about inventory optimization technology for supply chain indicates that many companies are seeking to improve their supply chain in processing and technology. The analysis of the Manufacturing Resource Planning (MRP 2) is informed by various sectors for it to succeed. This include business plan which supplies commodities to the market, the availability of materials and the cost. The company considers the capacity to obtain materials for production and the customer need for the material. The next process is <https://assignbuster.com/report-of-apics-meeting-held-on-13th-september/>

material requirement planning, where the Company considers the cost of every material required and where to get the material. They manufacture the items and try to control the prices and test its performance. The challenges faced by current production include, global demands, life cycle of products, customer's tolerance, complexities and customization of products, pressure for inventories inaccurate forecast and varieties of products. Demand Driven MRP, which is a multi-echelon material, was advanced after MRP2. It has five components which are strategic inventory positioning, buffer profile and levels, dynamic adjustments, demand driven planning band and collaborative execution. A discussion with Kristen Melendez and Tracy Brown, indicated correlation with matters discussed in the after-dinner presentation. They have experience in supplies and logistics and they also offer consultancy services. Their business cards are attached below. The two cited lack of careful consideration of the supply demand analysis which they said was well addressed by DDMRP. According to Kristen, production should take into consideration the cost of materials which consequently affect the price. While Brown said that the solution for current problem will just be accomplished if companies adopted the DDMRP strategies.