

Current event paper

[Business, Management](#)



Material Requirements Planning (MRP) al Affiliation) Material Requirement Planning The manufacturing process comprises of a cycle of inputs and outputs. The amount of output required will determine the amount of input to be used in the production. Material Requirements Planning (MRP) is the system that determines the amount of input to be used during production. In addition, production of assembled items comprises of three components;

1. What is required?
2. What is the quantity required?
3. When is it needed?

Material requirements planning regulate the ordering and assembly of inputs for a timely completion of outputs. In addition, MRP eliminates the levels of Just-In-Time processing by ensuring that there is a balance between the demand and supply of outputs. However, the inventory levels should be kept at minimum while resources are efficiently utilized.

Article Summary

Addition, a liquid spices manufacturing company, is preparing for the egnog season. Matt Hemeyer, the company's sales director, plans for an increase in production capacity for the company. The current production stands at seven hundred and fifty bottles of the liquid spices a month. The proposed increase in production capacity is set to increase the number of bottles produced to seven thousand five hundred bottles a month, for three months (October, November, and December). Labor is the main input that the company requires for the holiday season. Mr. Hemeyer estimates the labor force to increase by two additional workers for production purposes, in October. In addition, he requires three workers for production and shipping in November

and one worker for shipping purposes in December. The sales director plans for material requirements planning by investing the company's reserves (\$10, 000) in production equipment. The equipment will aim at automating the production components to achieve the proposed production capacity. The article indicates all the benefits of material requirements planning. The main objective of MRP is to achieve a balance between demand and supply. Mr. Hemeyer explains that he would not want to run out of inventory as it would ruin the company's reputation. In addition, he is aware of the holiday season and intends to increase the production capacity of his company; in an attempt to balance the demand and supply of liquid spices. The article illustrates how the company will allocate the production time; that is, the quantity of the liquid spices that will be distributed over the three months. Conclusively, it generates information about the quantities of units to be produced and the capacity requirements for production.

Link to the article:

http://www.nytimes.com/2014/10/02/business/smallbusiness/a-small-spicy-start-up-prepares-for-the-demands-of-eggnog-season.html?module=Search&mabReward=relbias%3Ar&_r=0