

ERP (21-550)

*Advanced Manufacturing Laboratory
Department of Industrial Engineering
Sharif University of Technology*

Session #3



Course Description

▪ *Instructor*

- *Omid Fatahi Valilai, Ph.D. Industrial Engineering Department, Sharif University of Technology*
- *Email: FValilai@sharif.edu, Tel: 6616-5706*
- *Website: Sharif.edu/~fvalilai*

▪ *Class time*

- *Sunday-Tuesday* *16:30-18:30*
- *Wednesday* *09:00-12:00*

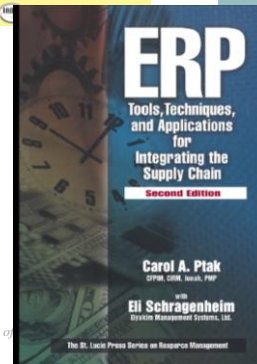
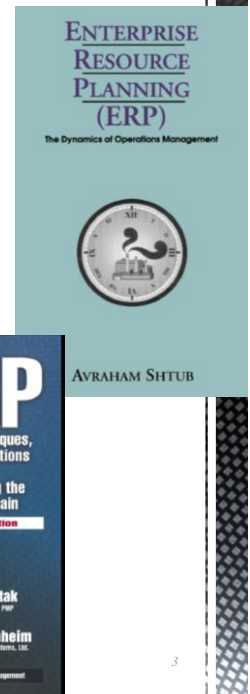
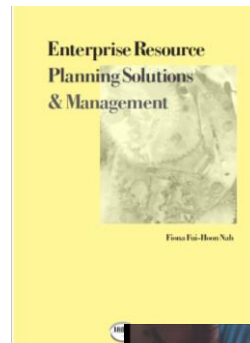
▪ *Course evaluation*

- *Mid-term* *(30%)*
- *Final exam* *(40%)*
- *Quiz* *(5%)*
- *Exercise* *(10%)*
- *ERP Lab* *(15%)*



Course Description (Continued ...)

- **Mid-term session:**
 - Sunday : 8th Azar 1394, 16:30 ~ 18:00
- **Final Exam:**
 - Sunday: 27th Dey 1394, 09:00 ~ 10:30
- **Reference:**
 - Shtub, A., "Enterprise Resource Planning (ERP)- The dynamics of operations management", 2002, Kluwer Academic Publishers
 - Ptak, Carol A., "ERP Tools, Techniques, and Applications for Integrating the Supply Chain", 2004, The CRC Press
 - Fui, F., Nah, H., "Enterprise Resource Planning", 2002, IRM Press



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Course Description (Continued ...)

- **Mid-term session:**
 - Sunday : 8th Azar 1394, 16:30 ~ 18:00
- **Final Exam:**
 - Sunday: 27th Dey 1394, 09:00 ~ 10:30
- **Reference:**
 - Daniel E. O'leary, "Enterprise Resource Planning Systems Systems, Life Cycle, Electronic Commerce, and Risk", 2000, Cambridge University Press

Enterprise Resource Planning Systems

Systems, Life Cycle, Electronic Commerce, and Risk



Daniel E. O'Leary

CAMBRIDGE www.cambridge.org/978052179152

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Course Description (Continued..)

- *Contents:*
 - *Enterprise Management*
 - *Operations Management*
 - *The Evolution of ERP Systems: A Historical*
 - *Organizations and organizational structures*
 - *Scheduling*
 - *Purchasing and inventory management*
 - *Marketing considerations*
 - *ERP selection and implementation*

Course Description (Continued..)

- *Contents:*
 - *Enterprise Management*
 - *History of Enterprise Resource Planning*
 - *The Theory of Constraints and ERP*
 - *Sales and Operations Planning*
 - *Buffer Resource Strategy*
 - *Enterprise Resource Management*
 - *Integrating the Supply Chain to Reap the Rewards*
 - *Strategic Sourcing and Procurement*

Course Description (Continued..)

- *Contents:*
 - *Enterprise Management*
 - *History of Enterprise Resource Planning*
 - *Just some times ago:*
 - *Simple manual approaches such as order point were effective in managing inventory.*
 - *Companies could afford to keep inventory on hand to satisfy customer demand.*
 - *Labor was the main driver of product cost.*
 - *The focus was based on longer product life cycles and less product variety.*
 - *The normal policy in purchasing was to keep a little of everything on order all the time just to make sure that it never ran out.*
 - *The assumption was that the customer would continue to order what they had before and the future would look very much like the past.*

Enterprise Management

- *Contents:*
 - *History of Enterprise Resource Planning*
 - *As the utilization MRP methodology was learned, something very important was realized:*
 - *Not only did you need all the parts to get the job done, but you also must have sufficient capacity to get the job done.*
 - *The idea of closing the loop with a capacity plan was introduced and closed loop MRP, or big MRP, was born.*

Enterprise Management

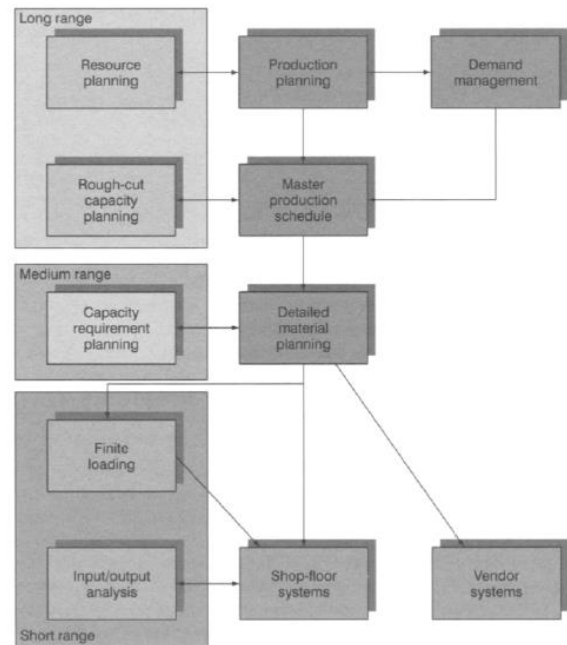
- **Contents:**
 - *History of Enterprise Resource Planning*
 - *As the utilization MRP methodology was learned, something very important was realized:*
 - *Now, not only could the materials be calculated, but also, based on those material plan priorities, a capacity plan could be calculated.*
 - *Defined paths for the production process (OPC) were required in addition to the list of materials (BOM) needed for each of the finished parts.*
 - *These paths defined upon which machines the parts would be built so that capacity and load could be planned and scheduled.*

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Enterprise Management

- **Closed-loop MRP**



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ERP (Enterprise Resource Planning), .

Enterprise Management

▪ Contents:

- Closed Loop MRP
 - As the utilization MRP methodology was learned, something very important was realized:



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Finite capacity planning algorithm for semiconductor industry considering lots priority

E.Mhiri*, M.Jacomino*, F.Mangione*
P.Vialletelle**, G.Lepelletier**

*Univ. Grenoble Alpes, G-SCOP, F-38000 Grenoble,
France (e-mails: Emna.Mhiri@grenoble-inp.fr; mireille.jacomino@grenoble-inp.fr;
fabien.mangione@grenoble-inp.fr)

** STMicroelectronics, F-38926 Crolles Cedex,
France (e-mails: philippe.vialletelle@st.com ; guillaume.lepelletier@st.com)

Enterprise Management

▪ Contents:

- Closed Loop MRP
 - As the utilization MRP methodology was learned, something very important was realized:

Computers & Industrial Engineering 64 (2013) 641–652



Contents lists available at SciVerse ScienceDirect

Computers & Industrial Engineering

journal homepage: www.elsevier.com/locate/caie



Real-time capacity requirement planning for make-to-order manufacturing with variable time-window orders [☆]

Yi-Feng Hung*, Chuan-Che Huang, Ying Yeh

Department of Industrial Engineering and Engineering Management, National Tsing Hua University, 101 Kuang Fu Road, Sec. 2, Hsinchu 30010, Taiwan, ROC



Enterprise Management

▪ Contents:

- *Manufacturing resource Planning (MRP II)*
 - *Once again the technology improved simultaneously with the identification of the need that as every piece of inventory moved, finances moved as well.*
 - *If a part were received at the factory, not only should the inventory on hand balance increase, but there should also be a corresponding increase in the raw material inventory asset on the financial books.*

~

This is balanced by an increase in the liability level in the accounts payable account.

Enterprise Management

▪ Contents:

- *Manufacturing resource Planning (MRP II)*
 - *At every step of the way, as the inventory moves, financial accounting moves with it with balanced credits and debits.*
 - *As a group of parts moves to the shop floor to build the finished product, the raw material asset should decrease and the work in progress asset should increase.*
 - *The labor and overhead charges from the shop floor personnel are also added to the work in progress asset account with an offset to the accounts payable account.*
 - *When the finished part completes its path through the shop, the work in progress asset account goes down and the finished goods asset account increases.*
 - *As the finished product is sold, the finished good asset account decreases and the accounts receivable asset account increases.*

Enterprise Management

▪ *Contents:*

- *Manufacturing resource Planning (MRP II)*
 - *MRPII closed the loop not only with the financial accounting system, but also with the financial management system.*
- *Now all the resources of a manufacturing company could be visible, planned, and controlled.*

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Enterprise Management

▪ *Contents:*

- *Manufacturing resource Planning (MRP II)*



ELSEVIER

Int. J. Production Economics 46–47 (1996) 153–164

international journal of
**production
economics**

Production planning in the case of uncertain individual demand
Extension for an MRP II concept

Günther Zäpfel

Institute of Production Management, University of Linz, A-4040 Linz, Austria

Enterprise Management

▪ Contents:

- *Manufacturing resource Planning (MRP II)*
 - *In 1985, Dick Ling and others brought Sales and Operations Planning (S&OP) to the management toolbox.*
 - *Ling recognized the critical importance of connecting the financial plan, the operations plan, and the sales plan.*
 - *Significant financial assumptions are made in the budget process about the level of production, sales, and inventory.*
 - *The key operating word in S&OP was that it was better to be roughly right than exactly wrong.*
 - *The demand management process continues to be a challenge today.*

Enterprise Management

▪ Contents:

- *Manufacturing resource Planning (MRP II)*
 - *Only recently, with the advances in middleware and other technology, does the promise of S&OP appear to be able to achieve reality.*
 - *For the first time a company could have an integrated business system that provided visibility of the requirements of material and capacity driven from a desired operations plan,*
 - *allowed input of detailed activities, translated all this activity to a financial statement, and suggested actions to address those items that were not in balance with the desired plan.*