

Master Planning: The Present and Future

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The 'DynamicsCon LIVE' logo is positioned in the bottom right corner. It features the text 'DYNAMICS CON' in yellow above 'LIVE' in a larger, bold yellow font, all set against a dynamic blue and white splash background.

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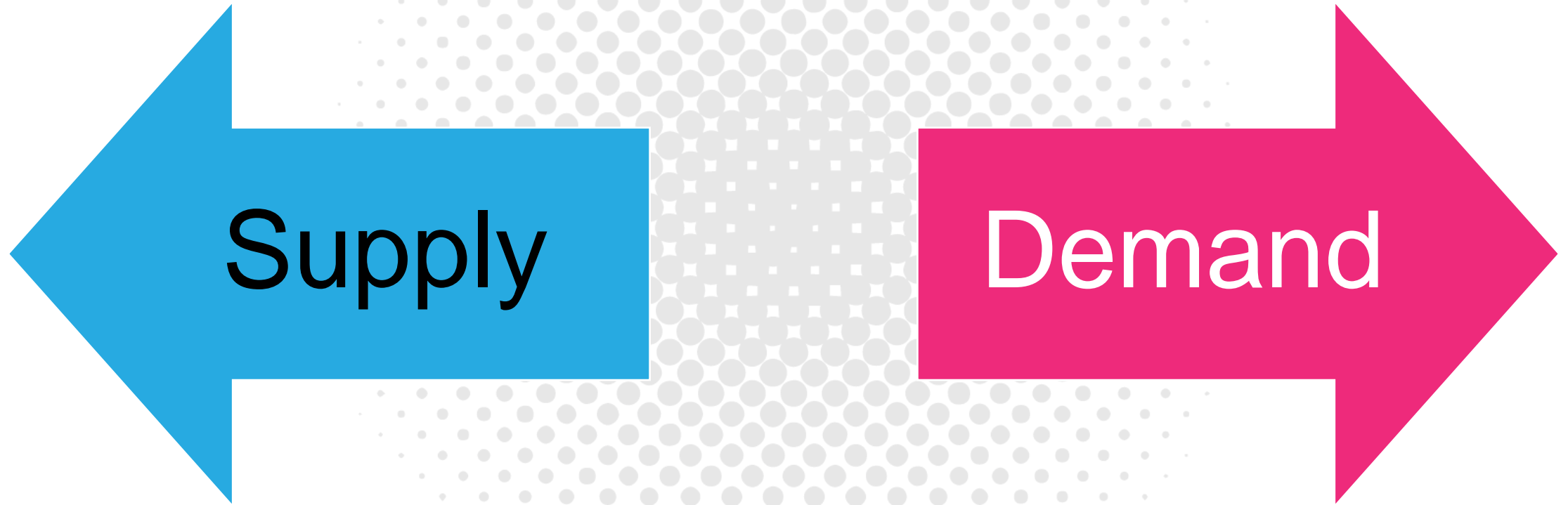
Joke

**What happened to my plans to fix
the hole in the floor?**



Introduction to Master Planning

What is the purpose of master planning?



Supply and demand types

Supply

- Purchase order
- Production/batch order header
- Kanban header
- Co-product
- Transfer order receipt

Demand

- Sales order
- Forecast
- Production/batch order line
- Kanban line
- Transfer order shipment
- Safety stock

Matching supply to demand

Supply

Purchase order

Production / batch
order header

Kanban header

Co-product

Transfer order
receipt

On-hand
inventory

Requirement
dates

Lead times

Vendor
pricing

On-order
inventory

Sourcing
strategy

Working
times

Scheduling
rules

Planning
priority

Planning
horizon

Order min /
max / multiple

Production
capacity

Substitutions

Demand

Sales order

Forecast

Production / batch order
line

Kanban line

Transfer order shipment

Safety stock

What it is and what it isn't

What it is

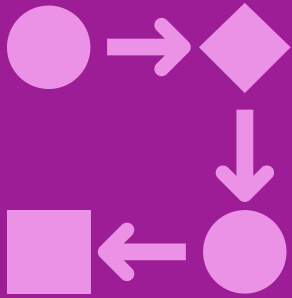
Calculation-based order generation functionality that automates manual planning processes

What it isn't

A magic tool that knows everything about your business and the current supply chain environment

“If you lie to Master planning, it will lie to you”

What should you be thinking about?



Process

Planning frequency
Planning horizon
Forecasting



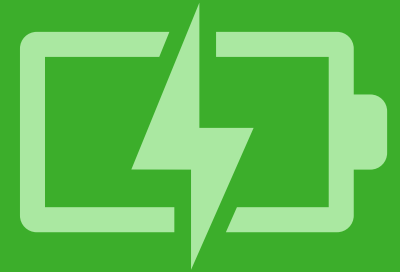
Strategy

Stocking strategy
Sourcing strategy
Location strategy



Data

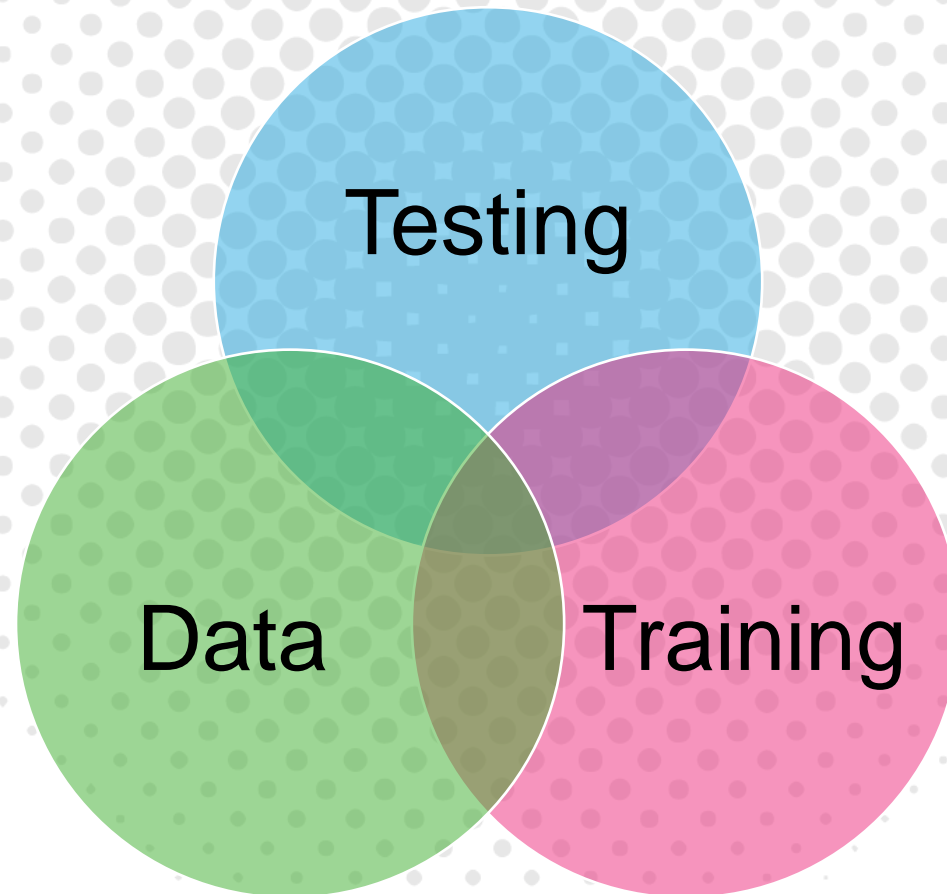
BOMs / Formulas /
Routes
Lead times
Default vendors



Capacity

Warehouse capacity
Production capacity
Vendor capacity

Common pitfalls in implementations



Key configurations



Master planning parameters



Master plans



Coverage groups



Item coverage



Default order settings

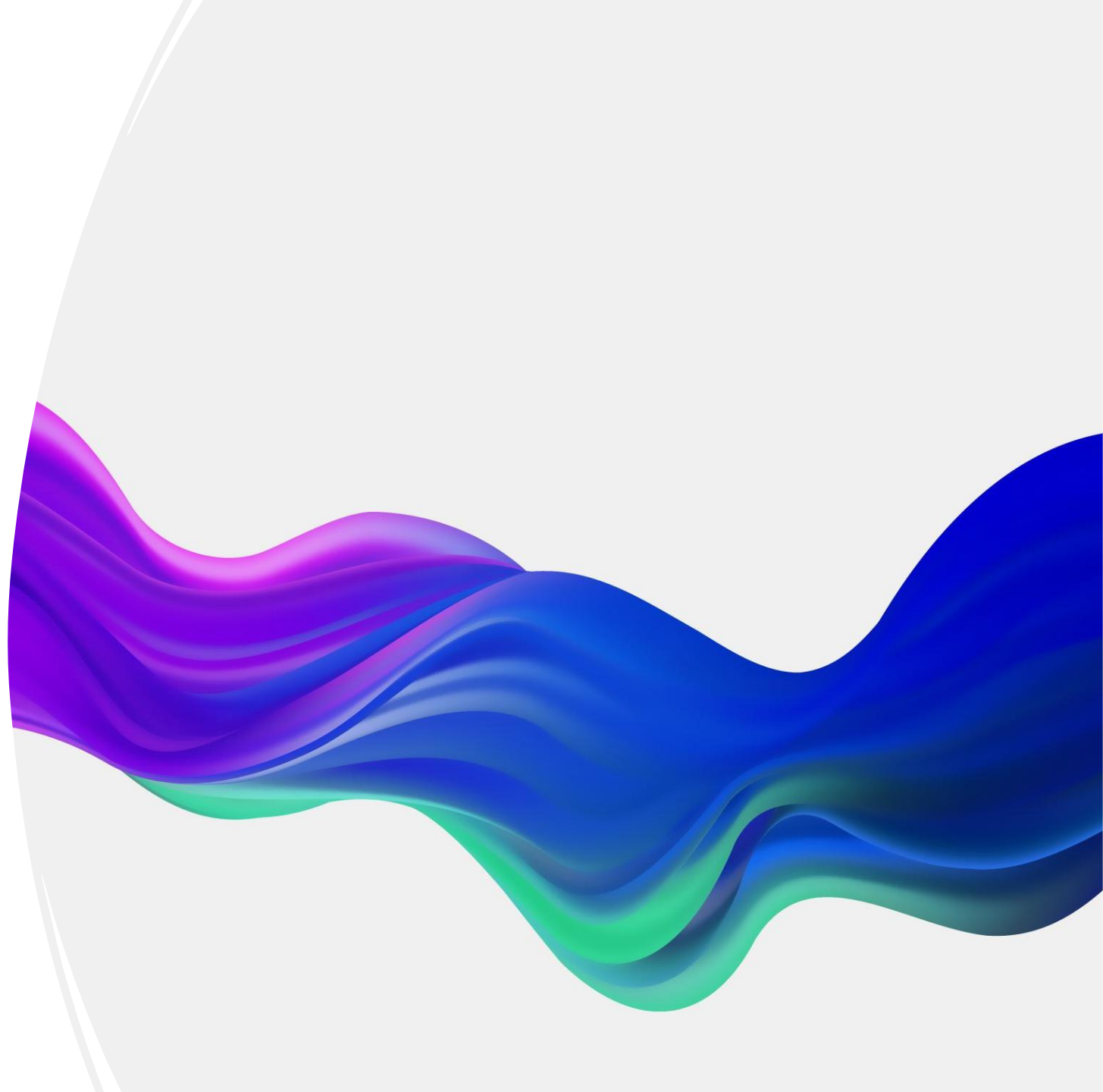


Calendars

Demo: master planning workspace



Demo: matching supply to demand



What's new?

Recently added

- **Priority based planning**
- **Demand Driven Material Requirements Planning (DDMRP)**

Upcoming

- **Multi-sourcing planned purchases**
- **Planning Optimization feature parity**



Planning Optimization

What is Planning Optimization?



Runs master planning activities on a separate workload with no additional cost

Significantly reduces the time it takes to generate planned orders

Working on feature parity with classic MRP – most scenarios planned by Oct 2022

Compatible with new planning features being released

When will classic MRP be removed?

Deprecation

- **Distribution – April 2021**
- **Manufacturing – April 2022**
- **Reduced/no support on bugs**
- **Warning message when running classic MRP**
- **Not compatible with new features**

Removal

- **All scenarios – not announced**
- **12 - 18 month transition window (likely) after announcement**
- **Functionality removed from system**

How do I implement Planning Optimization



Run Planning Optimization Fit Analysis



Review differences between built-in master planning and Planning Optimization



Install LCS Add-in in non-production environment



Test - compare classic MRP with Planning Optimization results



Install and enable in production environment



Additional resources for Planning optimization

- [Finance and Supply Chain Management: Planning Optimization - Microsoft Dynamics Blog](#)
- [Yammer : Dynamics 365 and Power Platform Insider Program : Planning Service : All Conversations](#)
- [Planning Optimization overview - Supply Chain Management | Dynamics 365 | Microsoft Docs](#)



New: DDMP

The evolution of master planning

Current state: MRP

Long lead times

Stockouts and overstocks

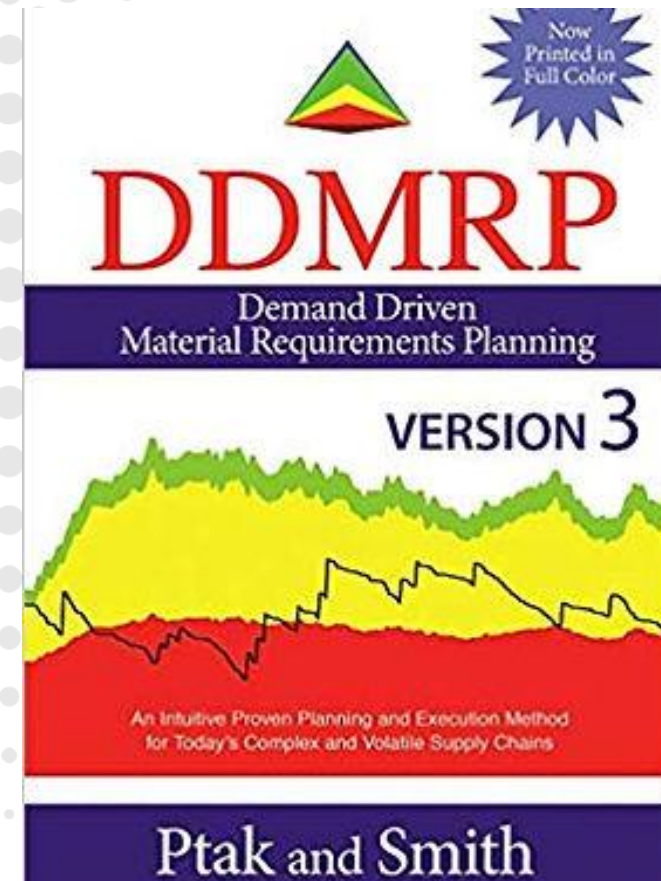
High market fluctuation

Supply chain shortages

MRP tools are confusing



Demand Driven MRP



The five components of DDMPRP

Strategic inventory positioning

Identify points in the supply chain to stock inventory and reduce order fulfillment times

Buffer levels

Use data-driven calculations of proper buffer levels for inventory

Dynamic adjustments

Adjust buffer levels based on expected market changes and other factors

Demand driven planning

Creation and prioritization of planned orders as a reaction to expected demand

Visible and collaborative execution

Use system tools to support interactive planning experiences and visual indicators to trigger actions

Buffer levels



Maximum quantity



Reorder point



Minimum quantity



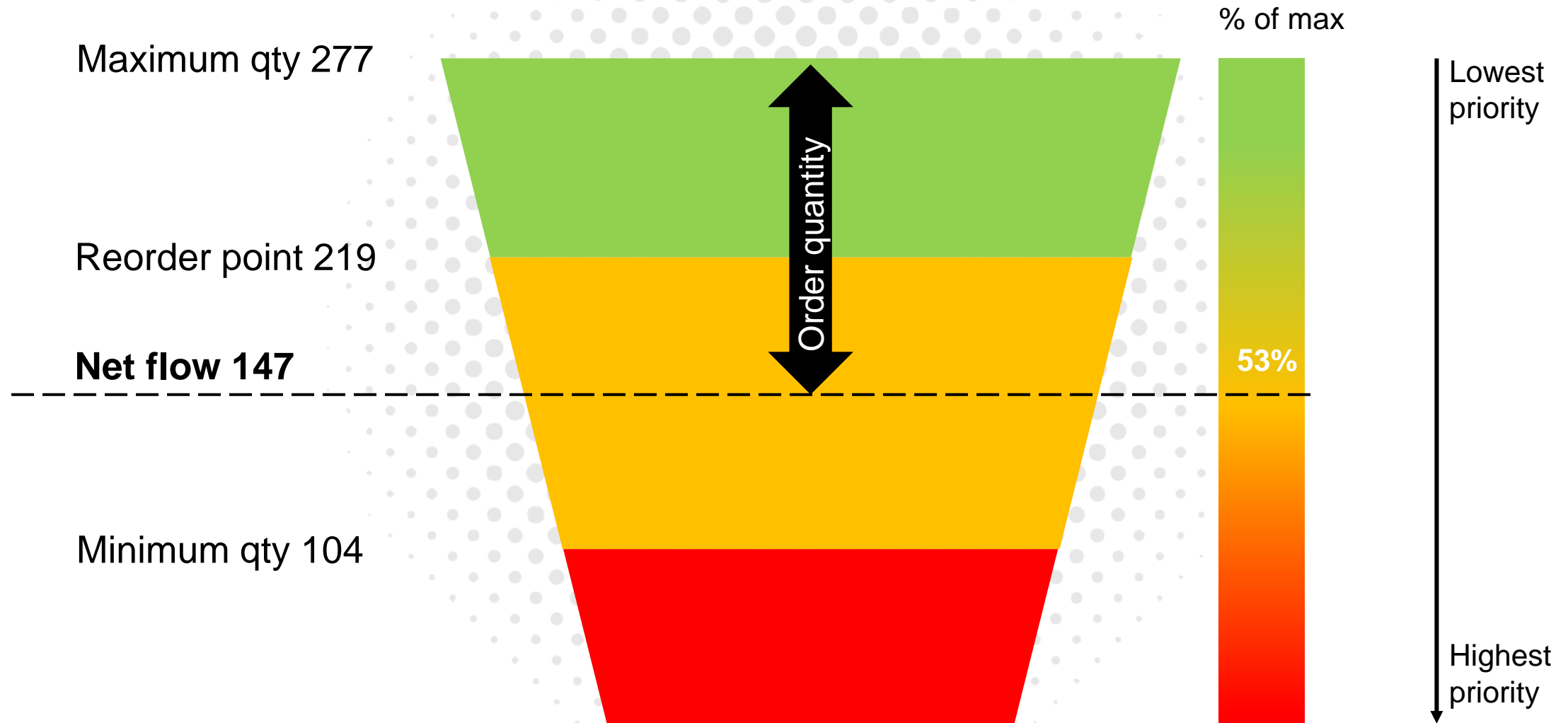
Green zone

Yellow zone

Red zone

30%

Using DDMRP to generate planned orders



Net flow = on-hand + on order – qualified demand

The image features a black background with a blue and white jagged, lightning-bolt-like shape. The shape is composed of several sharp, angular segments. The background is filled with a halftone pattern of small, dark grey dots. In the bottom left corner, there is a cluster of larger, blue dots of varying sizes.

Wrap up

**What happened to
my plans to fix the
hole in the floor?**

They fell through



Q&A

