

IAC 01.02 - Performance variance

STEP 1

Step 1: Open the file.

Choose the authorization scope and the period / fiscal year

SCOPE : SCO

BW File on

[BW - IMEP - WP2 Variance Analysis](#)

STEP 2

Control that the report BW = KE30:

- Total column P = D05
- Total column Q = E05
- Total column R = F05

STEP 3

List the products that generate the main variances

		Total
128581	FENTAMINE MADHT BULK(CN)	101,523 CNY
128201	FENTACARE DHT21 I 75 BULK	109,349 CNY
128428	FENTACARE EAPB BULK(CN)	145,125 CNY
128568	FENTAMINE DMAPA CRUDE BULK(CN)	170,968 CNY
128192	FENTACARE DHT21 E 75 BULK	201,829 CNY
124051	FENTAMINE DMA1270 BULK	204,609 CNY
128620	JAGUAR C 14 S BULK(CN)	224,074 CNY
128541	FENTAMINE DMA1270D BULK(CN)	246,764 CNY
128567	FENTAMINE DMAPA BULK(CN)	354,980 CNY
128278	INT NITRIL HT BULK(CN)	618,017 CNY
TOTAL		2,377,238 CNY

STEP 4

Explain the main variances

a. structure: Production version change / Raw material / Recycling / Others

How to read this variance ?

- Material 53789 TY A 218 V30 BLACK 34NG XXXX was produced with a different production version than the one used for the costing
- In the production version (B332) used for the costing, it is forecasted to produce one batch in 18,239 hours. But this material was produced in 17,90 h on an other production line.

It creates the following variance on process order :

Order	Mat	Material description	Origin	Actual Qty	Tgt Qty	SCE	Item UM	FC Var	DEP Var	ProdVer	Pr Vv
2084895	53789	TY A 218 V30 BLACK 34NG XXXX	7822-1133 AMO	17,900	0,000	H		0,00	376,83	B332	A413
	53789	TY A 218 V30 BLACK 34NG XXXX	7822-1133 CNP	17,900	0,000	H		3 620,24	0,00	B332	A413
	53789	TY A 218 V30 BLACK 34NG XXXX	7822-1133 MANHO	17,900	0,000	H		2 665,67	0,00	B332	A413
	53789	TY A 218 V30 BLACK 34NG XXXX	7822-1141 AMO	0,000	18,239	H		0,00	385,40-	B332	A413
	53789	TY A 218 V30 BLACK 34NG XXXX	7822-1141 CNP	0,000	18,239	H		3 719,52-	0,00	B332	A413
	53789	TY A 218 V30 BLACK 34NG XXXX	7822-1141 MANHO	0,000	18,239	H		2 805,63-	0,00	B332	A413
2084895				53,700		H		239,24-	9,57-		

	Actual hours	Standard hourly rate	Actual costs	Std hours	Standard hourly rate	Standard costs	Variances
MANHO	17,90	148,92	2 665,67	18,24	153,83	2 805,63	-139,96
CNP	17,90	202,25	3 620,24	18,24	203,93	3 719,52	-99,28
E05 FC ProcessO Var			6 285,91			6 525,15	239,24
AMO	17,90	21,05	376,83	18,24	21,13	385,40	-8,57
F05 DEP ProcessO Var			376,83			385,40	-8,57

b. yield: RM consumption is higher or lower than std quantity

How to read this variance ?

- The actual time (96 h) to produce material 64712 PA 66 MOLTEN POLYMER is higher than the standard time (84,261h)
- It creates the following variance on process order :

Order	Material	Material description	Origin	Origin Description	Actual Qty	Tgt Q	Item	FC Var	DEP Var	ProVis PO	PC V
2084538	64712	PA 66 MOLTEN POLYMER	7822-1304 AMO	ATY Z006/7822-1304/AMO	96,000	84,261	H	0,00	264,50	PC41	PC41
	64712	PA 66 MOLTEN POLYMER	7822-1304 CNP	ATY Z006/7822-1304/CNP	96,000	84,261	H	1 666,32	0,00	PC41	PC41
	64712	PA 66 MOLTEN POLYMER	7822-1304 MANHO	ATY Z006/7822-1304/MANHO	96,000	84,261	H	487,75	0,00	PC41	PC41
					288,000	252,783	H	2 164,07	264,50		

	Actual hours	Standard hourly rate 7822-1304	Actual costs	Std hours	Standard hourly rate 7822-1304	Standard costs	Variances
MANHO	96.00	42.45	4 075.63	84.26	42.45	3 576.73	498.30
CNP	96.00	141.95	13 626.91	84.26	141.95	11 960.60	1 666.32
E05 FC ProcessO Var			17 702.54			15 537.32	2 164.62
AMO	96.00	22.55	2 164.84	84.26	22.55	1 900.12	264.72
F05 DEP ProcessO Var			2 164.84			1 900.12	264.72

c. purchased vs produced: material is purchased instead of produced or vice & versa

How to read this variance ?

- Material 63324 is supposed to be produced but it was purchased
- As it is purchased, the production cost = 100 % CP while in the costing the production cost is splitted into CP / CNP / AMO

Order	Material	Material description	Origin	Origin Description	Actual Qty	Tgt Qt S	Item	FC Var	DEP Var
2084538	63324	SB 27 AE 1 F (EX 27/A-00 MS) NAT (811)YE	63324	SB 27 AE 1 F (EX 27/A-00 MS) N	8 000	8 000	KG	2 863,94-	0,00
	63324	SB 27 AE 1 F (EX 27/A-00 MS) NAT (811)YE	1050003	CARTON TOP 1121*1121*190	0	8,960-	PC	0,00	0,00
	63324	SB 27 AE 1 F (EX 27/A-00 MS) NAT (811)YE	1050009	CARTON BOTTOM FOR CRATE 1	0	8,960-	PC	0,00	0,00
	63324	SB 27 AE 1 F (EX 27/A-00 MS) NAT (811)YE	1050012	BELT REP FOR CARTON 1085X	0	8,960-	PC	0,00	0,00
	63324	SB 27 AE 1 F (EX 27/A-00 MS) NAT (811)YE	1050019	CARTON SIDE EXT 1101X1101X	0	8,960-	PC	0,00	0,00
	63324	SB 27 AE 1 F (EX 27/A-00 MS) NAT (811)YE	1050023	PE SACK 2000X3300 200µ	0	8,960-	PC	0,00	0,00
	63324	SB 27 AE 1 F (EX 27/A-00 MS) NAT (811)YE	1060594	WOOD PALLET CP8 1140X1140	0	8,960-	PC	0,00	0,00
	63324	SB 27 AE 1 F (EX 27/A-00 MS) NAT (811)YE	62575	SB 27 AE 1 F (ex 27/A-00 MS)	0	8 000-	KG	8 836,34	0,00
	63324	SB 27 AE 1 F (EX 27/A-00 MS) NAT (811)YE						0,00	0,00
	63324	SB 27 AE 1 F (EX 27/A-00 MS) NAT (811)YE	7822-1008 UELEC	ATY Z006/7822-1008/UELEC	0	0,256-	MWH	0,00	0,00
	63324	SB 27 AE 1 F (EX 27/A-00 MS) NAT (811)YE	7822-1180 AMO	ATY Z006/7822-1180/AMO	0,000	5,336-	H	0,00	59,65
	63324	SB 27 AE 1 F (EX 27/A-00 MS) NAT (811)YE	7822-1180 CNP	ATY Z006/7822-1180/CNP	0,000	5,336-	H	155,15	0,00
	63324	SB 27 AE 1 F (EX 27/A-00 MS) NAT (811)YE	7822-1180 MANHO	ATY Z006/7822-1180/MANHO	0,000	5,336-	H	0,34	0,00
	63324	SB 27 AE 1 F (EX 27/A-00 MS) NAT (811)YE	SETLEMENT	SETLEMENT				0,00	0,00
2084538					0,000	16,008-	H	6 127,89	59,65

d. subcontractor: Material is produced by a subcontractor instead of an internal production

How to read this variance ?

- Same principle as the previous variance
- When a material is produced by a subcontractor instead of an internal production

e. others: to be commented

	YTD	Comments	Action
STEP 5			
Fill in those information in « variance template » tab			
D00 VC Variable Cost			
Others (D01+D55+D60+D70+D80)			
Std VC + Others			
1.Perf variance (D05)			
a. structure			
b. yield			
c. purchased vs produced			
d. subcontractor			
e. others			
2.Variance / CC (D45)			
a. utilities			
b. subcontractor			
c. others			
3.Revaluation (D50+D52)			
4.Purchase variance (D47)			
VC on MP Sales			

Performance variance analysis	
STEP 6	
When there are recurring performance variances, they can be listed in the sheet "Perf. analysis"	
a1. Structure: Recurring cases of production line change	Please describe for your site
a2. Structure: Recurring cases of switch between Raw material / Recycling	Please describe for your site
b. Yield: Productivity variance	Standard analysis based on ZWPP40A
c. Purchased vs produced: Material purchased instead of produced	Please describe for your site
d. Subcontractor variance	Please describe for your site
e. Others	Please describe for your site