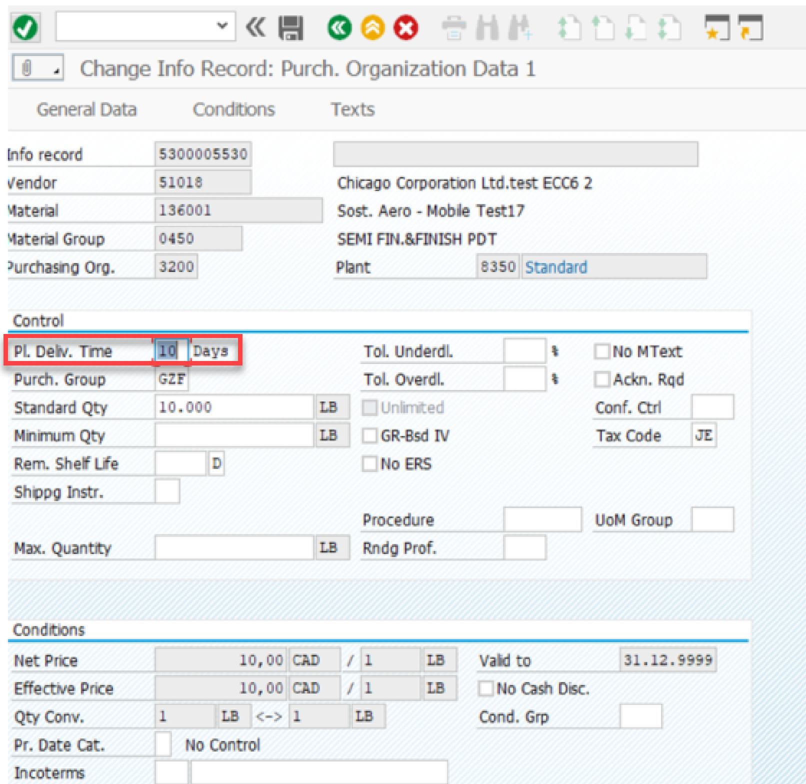
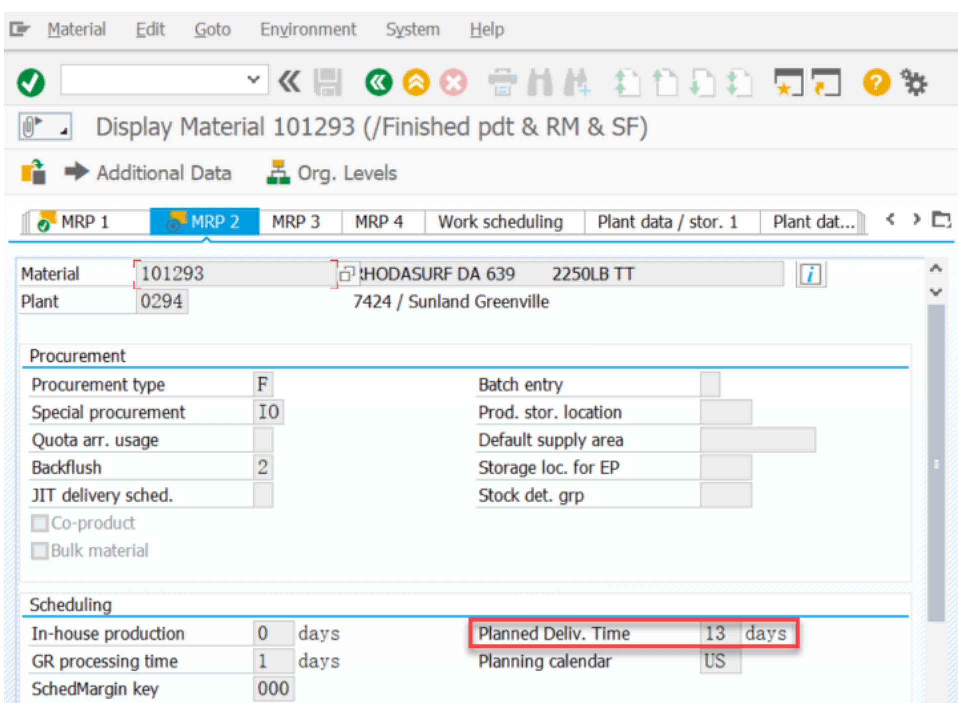
c. Purchased LT

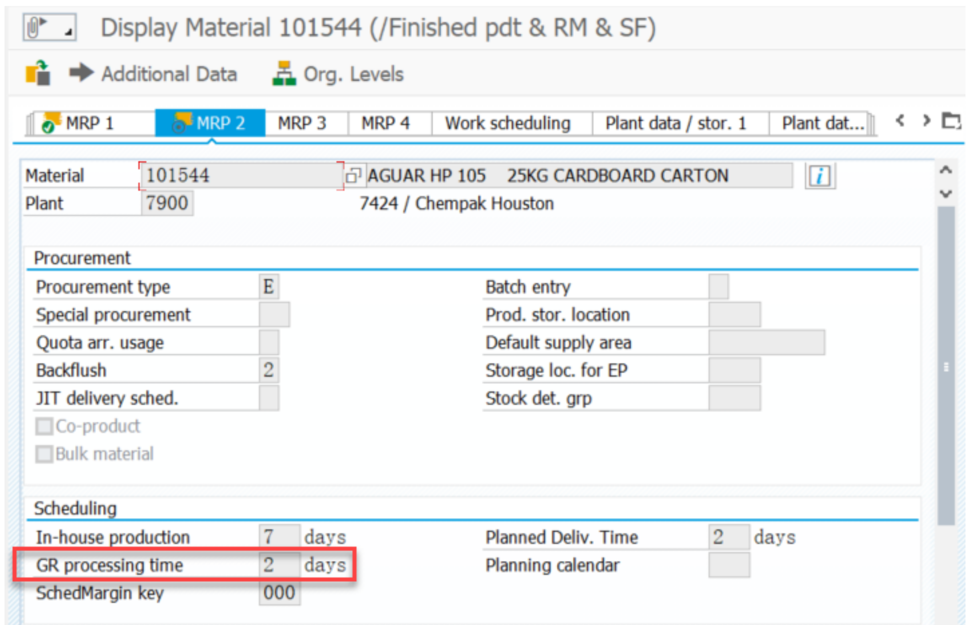
> The Purchased LT will be calculated only for Materials that are Purchased. We will use SAP "Procurement Type = F" (External Procurement) to identify those Materials.

Be careful, when the item's procurement type is X, we will also use the Purchased LT.

> In order to calculate P&I 'Purchased LT' we take the sum of 'SAP Processing time for purchasing' + 'SAP Planned Delivery time' + 'GR processing time'

P&I Lead Times	Level Required	Proposed SAP Field	Purpose in SAP	SAP Level	Comment
Procurement LT	Material / Plant	SAP Processing time for purchasing (Workdays) Define at Plant SAP Custo (an example of value could be 2 days).	Time (Plant workdays) that the purchasing department requires to convert a purchase requisition into a purchase order.	Plant x workdays	

	Material / Plant	SAP Planned delivery time (Calendar days) Could be maintained at different place: -**Pld Delivery time from Purchase info Record** (1st priority)  - **Pld Delivery time from MRP2 view** (only if PIR is NA)  	Number of calendar days needed to obtain the material or service if it is procured externally.	Material x Plant Calendar days	If both PIR + MRP2 view 'Pld Delivery time' are defined, we take PIR as 1st priority.

<table>
<tr><td>GR Processing LT</td><td>Material / Plant</td><td>GR processing time (MARC-WEBAZ)

</td><td>Number of workdays required after receiving the material for inspection and placement into storage.</td><td>Material / Plant
Workdays</td><td></td></tr>
</table>

Attention on "Planned Delivery time" expected values:

1> For external procurement (purchased from Supplier):

The Planned Delivery time should contain the transit time + preparation time of Supplier to prepare the delivery/

2> For Internal procurement (purchased from another Solvay site = InterCo): it should only contain the Transit time.
 For the ordering plant, this information is helpful to send the information to the supplying plant on time.

Note on Planned Delivery time determination for P&I:

Note that in the determination of the Planned Delivery time, we have 2 sources: Purchase Info Record and MRP2 view. In DynaSys P&I, we follow MRP standard process: we take PIR Pld Delivery time as 1st priority. If it's not available, we take that from MRP2 view.

User can consult in SAP T-code ME01/ME02/ME03 or Table EORD, to see what are the different sources defined. For each source, then we need to consult tables EINE/EINA in SAP to get the Pld Delivery time.

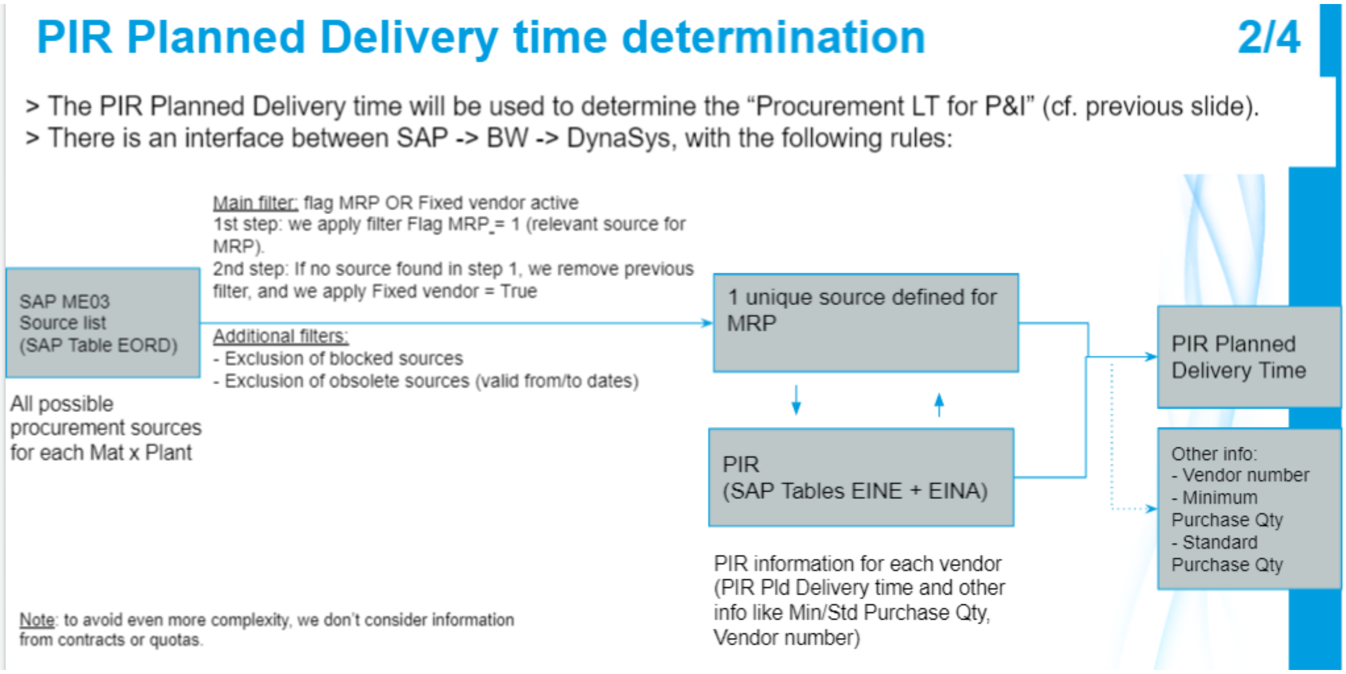
To see the full list of LT extracted from SAP, please refer to: Leadtimes coming from SAP

<u>More information about PIR Planned Delivery time</u>

> The PIR Planned Delivery time will be used to determine the “Procurement LT for P&I”.

> There is an interface between SAP -> BW -> DynaSys to determine the 'PIR Planned Delivery time'

> The same interface is used to determine the 'Vendor number', 'Minimum Purchase Quantity' and 'Standard Purchase Quantity'

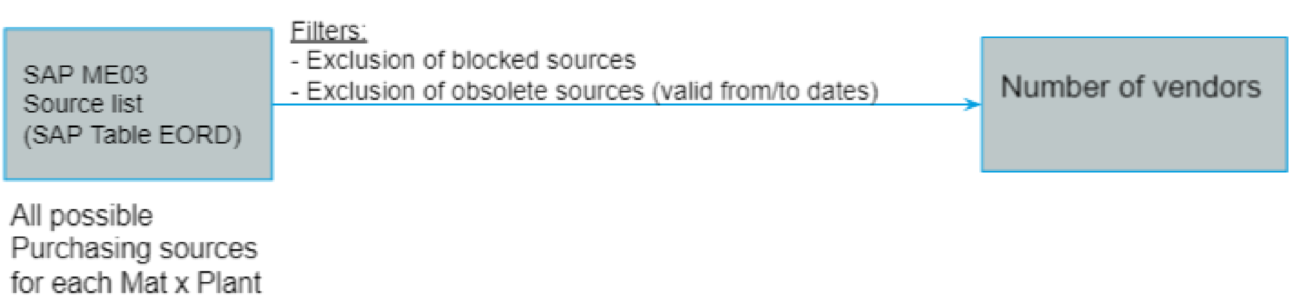


Number of Vendor / Suppliers

The “Number of Suppliers” (or “Number of vendors”) is calculated from the number of valide suppliers available in SAP Purchasing Source List, tcode ME03 (or can also access Table EORD).

In a nutshell, we take all sources and we apply the following filters in order to keep only the valid ones:

- Exclusion of blocked sources
- Exclusion of obsolete sources (using validity date)



<u>Note:</u> as we can see above, we take almost the same filters as when calculating the 'PIR Planned Delivery time' except the 'flag MRP' or 'Fixed vendor'

Monolevel RLT Calculation

Once we know the 'Procurement LT for P&I', we can proceed to calculate the Monolevel RLT and the SHS RLT.

Monolevel RLT	Represents the total time between placing a production / replenishment order and the availability date. It's "monolevel" since it only considers the product's own lead times (scheduling / production lead time / ….) , does not consider other BOM level. • For Produced SKUs, Monolevel RLT = "Produced LT" + "GR processing LT" • For Purchased SKUs, Monolevel RLT = "Purchased LT" + "GR processing LT" For more information about "Produced" or "Purchased LT", please refer to: Lead times coming from SAP	Monolevel Independent of SHS
SHS RLT	Represents the total time between placing a production / replenishment order and the availability date. It considers other BOM levels lead times (multi level) + distribution network (multi sites) and stock holding strategies.	Multilevel LT SHS dependent

To calculate the total 'Monolevel' lead time of Purchased Materials, we add the Good Receipt Processing time ("GR processing time" of SAP MM > MRP2 view) :

Monolevel RLT Purchased Materials = Procured LT + GR Processing LT

SHS RLT Calculation

The SHS-dependent Replenishment Lead time (SHS RLT) will be calculated from a number of different lead times coming from SAP.

> This SHS RLT will be multilevel & multi-site

> We will compare this 'Industrial' RLT with the Promised LT to Customer ('Catalog LT') and adjust the Strategy of the Product (MTO, MTS, MTF) accordingly.

More information can be found here.