

2. Monolevel LT & SHS RLT

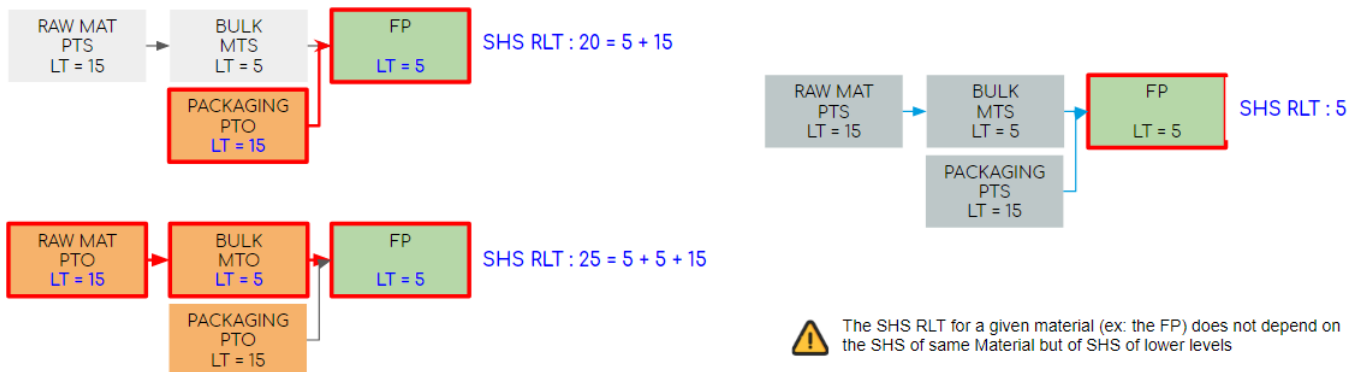
Term	Definition	Comment
SHS	Stock Holding Strategy (MTO / MTS / MTF).	MTF will be considered as MTS (simplification)
Monolevel RLT	<p>Represents the total time between placing a production / replenishment order and the availability date.</p> <p>It's "monolevel" since it only considers the product's own lead times (scheduling / production lead time /) , does not consider other BOM level.</p> <ul style="list-style-type: none"> For Produced SKUs, Monolevel RLT = "Produced LT" + "GR processing LT" For Purchased SKUs, Monolevel RLT = "Purchased LT" + "GR processing LT" <p>For more information about "Produced" or "Purchased LT", please refer to: Lead times coming from SAP</p>	<p>Monolevel</p> <p>Independent of SHS</p>
SHS RLT	<p>Represents the total time between placing a production / replenishment order and the availability date.</p> <p>It considers other BOM levels lead times (multi level) + distribution network (multi sites) and stock holding strategies.</p>	<p>Multilevel LT</p> <p>SHS dependent</p>

SHS RLT Calculation: Key concepts

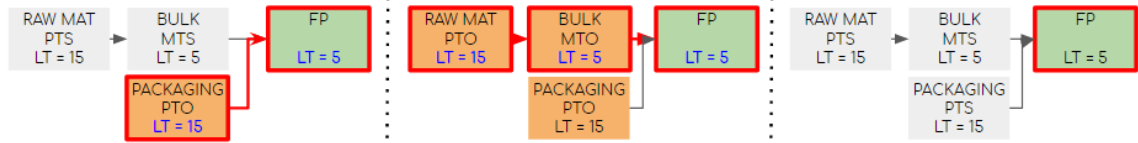
The SHS-dependent Replenishment Lead time (SHS RLT) will be calculated from a number of different lead times coming from SAP.

> 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



Stockholding strategy and Stockholding RLT - No intercompany

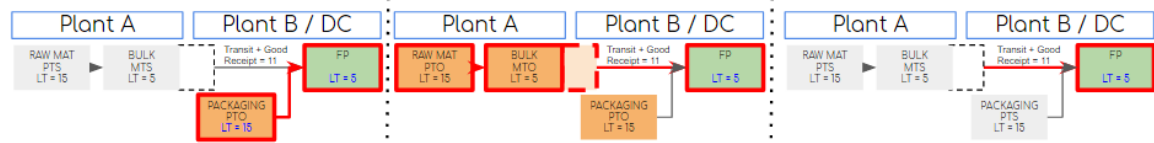


SAP Field	RM	Bulk	Pock	FP	RM	Bulk	Pock	FP	RM	Bulk	Pock	FP
Purch. Processing time	2		2		2		2		2		2	
Planned Delivery Time	12		12		12		12		12		12	
In-house production time		4		4		4		4		4		4
Good Receipt Time	1	1	1	1	1	1	1	1	1	1	1	1
(Mono level LT)	15	5	15	5	15	5	15	5	15	5	15	5
SHS Strategy	PTS ↓	MTS ↓	PTO ↓	MTO ↓	PTO ↓	MTO ↓	PTO ↓	MTO ↓	PTS ↓	MTS ↓	PTS ↓	MTO ↓
TRLT	15	5	15	20	15	20	15	25	15	5	15	5
CLT (new field)				28 (*)				35 (*)				3 (*)

(*): Catalog Lead Time (CLT - Calendar days) is defined by the business based on P&I, manufacturing/supply chain and market inputs
 The following control is done at sales order entry: Material availability date - Order date >= Catalog Lead Time.
 In case of MTO order product, the CLT should be > SHS RLT (SAP Field TRLT - Working days)

Scheduling LT not coming from SAP
 => will be stored in DynaSys

Stockholding strategy and Stockholding RLT - With intercompany



Plant SAP Field	RM	Bulk	Pock	FP	RM	Bulk	Pock	FP	RM	Bulk	Pock	FP
A Purch. Processing time	2				2				2			
A Planned Delivery Time	12				12				12			
A In-house production time		4				4				4		
A Good Receipt Time	1	1			1	1			1	1		
(Mono level LT)	15	5			15	5			15	5		
A SHS Strategy	PTS ↓	MTS ↓			PTO ↓	MTO ↓			PTS ↓	MTS ↓		
A TRLT (SHS RLT)	15	5			15	20			15	5		
B Purch. Processing time			2				2				2	
B Planned Delivery Time		10	12			10	12			10	12	
B In-house production time				4				4				4
B Good Receipt Time		1	1	1		1	1	1		1	1	1
(Mono level LT)		11	15	5		11	15	5		11	15	5
B SHS Strategy		MTS ↓	PTO ↓	MTO ↓		PTO ↓	MTO ↓			MTS ↓	PTS ↓	MTO ↓
B TRLT (SHS RLT)		11	15	20		31	15	36		11	15	16
B CLT				28 (*)				45 (*)				20 (*)

(*): Catalog Lead Time (CLT - Calendar days) is defined by the business based on P&I, manufacturing/supply chain and market inputs
 The following control is done at sales order entry: Material availability date - Order date >= Catalog Lead Time.
 In case of MTO order product, the CLT should be > SHS RLT (SAP Field TRLT - Working days)

Scheduling LT not coming from SAP
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Real examples of SHS RLT calculation can be found in the Appendix [here](#)