

## 2. Monolevel LT & SHS RLT

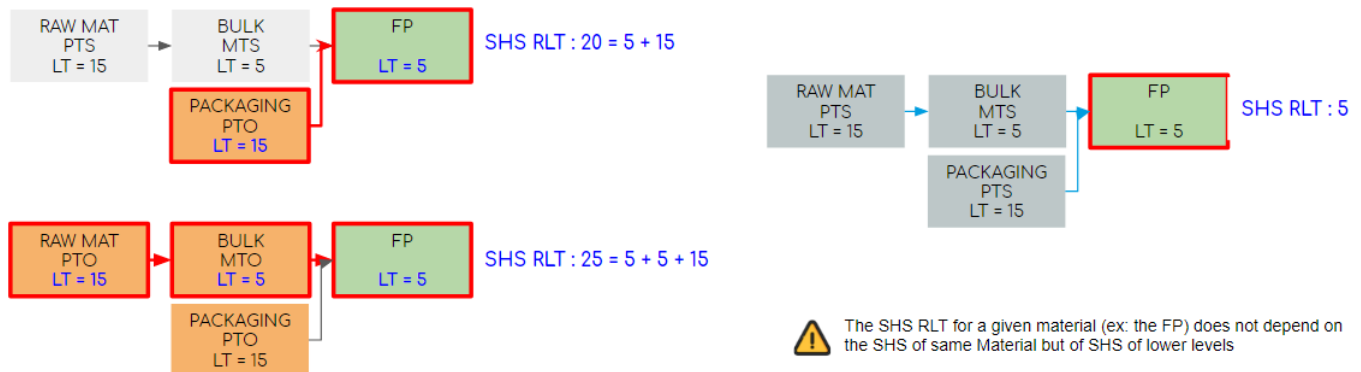
| Term                 | Definition                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Comment                                        |
|----------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------|
| <b>SHS</b>           | Stock Holding Strategy (MTO / MTS / MTF).                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | MTF will be considered as MTS (simplification) |
| <b>Monolevel RLT</b> | <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"> <li>For Produced SKUs, Monolevel RLT = "Produced LT" + "GR processing LT"</li> <li>For Purchased SKUs, Monolevel RLT = "Purchased LT" + "GR processing LT"</li> </ul> <p>For more information about "Produced" or "Purchased LT", please refer to: <a href="#">Lead times coming from SAP</a></p> | <p>Monolevel</p> <p>Independent of SHS</p>     |
| <b>SHS RLT</b>       | <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

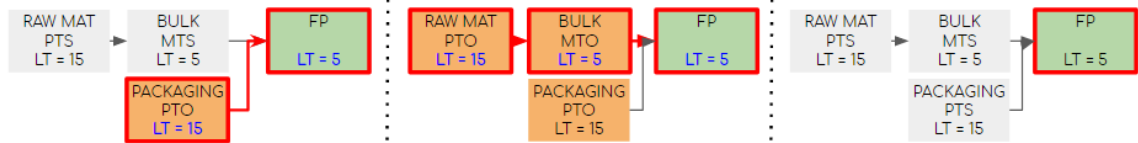
The SHS-dependent Replenishment Lead time (SHS RLT) will be calculated from a number of different lead times coming from SAP.

> 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 | Pack | FP     | RM  | Bulk | Pack | FP     | RM  | Bulk | Pack | 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    | PTS | MTS  | PTO  | MTO    | PTS | MTS  | PTO  | MTO   |
| TRLT                     | 15  | 5    | 15   | 20     | 15  | 20   | 15   | 25     | 15  | 5    | 15   | 5     |
| CLT (new field)          |     |      |      | 28 (*) |     |      |      | 35 (*) |     |      |      | 3 (*) |

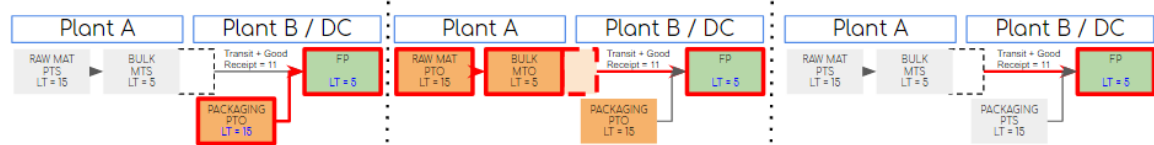
(\*): Catalog Lead Time (CLT - Calendar days) is defined by the business based on P&I, manufacturing/supply chain and market inputs

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 | Pack | FP     | RM  | Bulk | Pack | FP     | RM  | Bulk | Pack | 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  |      |        | PTS | MTS  |      |        | 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    |     | MTS  | PTO  | MTO    |     | MTS  | PTO  | MTS    |
| 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)

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Real examples of SHS RLT calculation can be found in the Appendix [here](#)