

Deloitte.



**Shelf life planning on SAP
Integrated Business Planning**
Deloitte and SAP co-innovation

Deloitte's approach to tackle shelf life planning on SAP IBP

Shelf life planning solution addresses the challenge of considering expiring batch stock in demand shaping, supply and financial planning.

Who is affected	What is the challenge	What is the value
Demand	 Lack of out-of-shelf-life batch inventory visibility for sales & demand managers.	Identify when and which batches will expire to help to shape demand, to avoid write-offs and ensure sales.
Supply	 Missing information on product batch shelf life, resulting in a low anticipation and suboptimal resource allocation and unnecessary write-offs.	Identify and include planned out of shelf life batches in supply and replenishment planning cross the global network.
Finance	 Lack of vision on impact of shelf life-related write-offs, causing misalignment between S&OP and financial plan.	Anticipate financial provisions for potential write-offs linked to shelf life. Improve integration of financial and volumetric planning.

Key industries



Chemicals



Food



Beverages



Pharmaceuticals



FMCG

Process flow for the shelf life functionality co-developed by Deloitte and SAP



Target user(s)



Hey, I'm a supply planner, and that's how I'm monitoring my global inventory...

Monitoring the current and future inventory situation is very easy with role-based dashboards and analytics. Each user can tailor it to their own needs.

How can I monitor inventory globally and see the future projections for expiring stock? Seems like I have here everything I need!

The tablet screen shows three main charts:

- Inventory per region:** A world map with regional inventories. A callout points to the "Asia" region.
- On-hand inventory:** A bar chart showing "RD Inventory on hand qty" for Asia and EMEA regions.
- Projected stock:** A bar chart showing "RD Projected Supply,Inventory,Short Date Inventory" for months from Feb'11 to Jul'11.

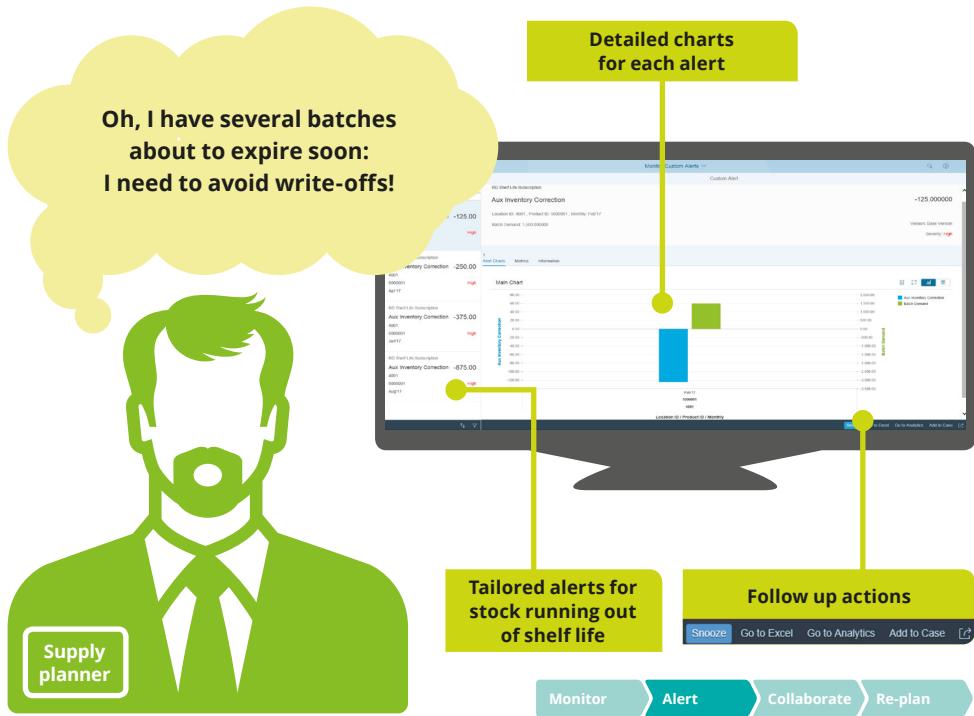
At the bottom, a flowchart shows the process: Monitor → Alert → Collaborate → Re-plan.

Supply planner

Monitor → **Alert** → **Collaborate** → **Re-plan**

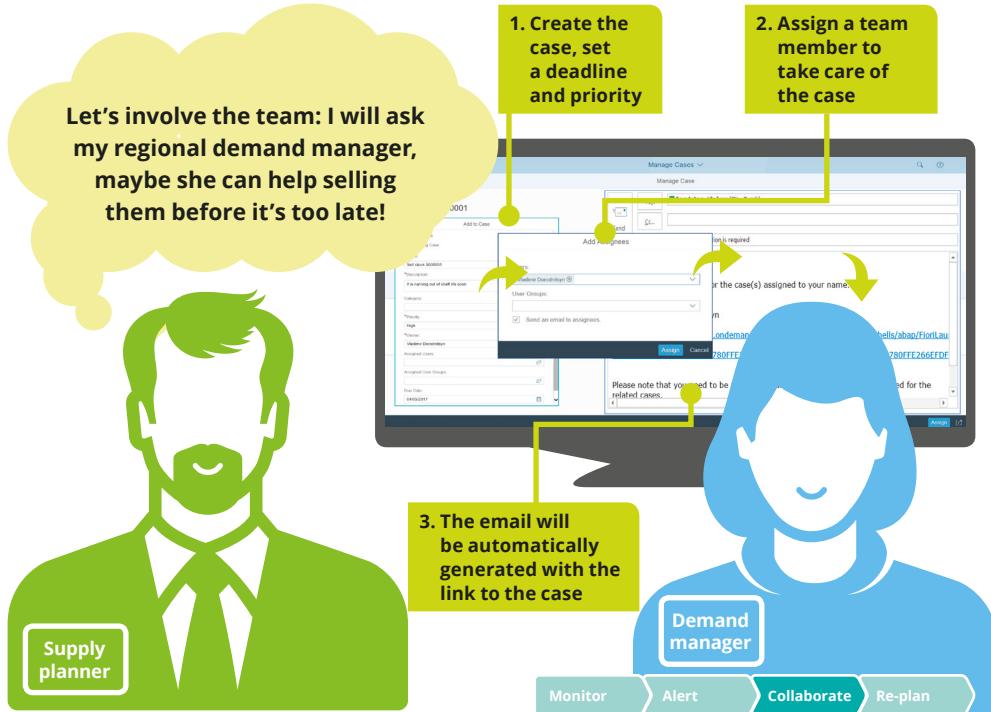
Being alerted about my expiring stock...

IBP Supply Chain Control Tower allows setting up alerts: the stock running out of shelf life will trigger an alert, giving thus some time to take proactive action.



Letting my demand manager know about out-of-shelf-life risk...

Investigational cases allow to collaborate, gather information and manage actions for resolving issues. For instance, in addition to the case owner and deadline, a specific user can be assigned to a task; this user will immediately be notified by email with the direct link to the case details.



Checking my exceptions details...

Assessment of shelf life planning issues is done in an exception-based manner in the main SAP IBP Excel user interface, while its configuration is done in SAP HANA through the web browser. Alerts are categorized so that users get fast and precise notifications in the planning screen.

I need to re-plan my supply and distribution, but I can't go through all SKUs. Great, there are tailored alerts in the planning view!

Excel UI dashboard summarizes number of alerts triggered

Details of each alert are shown and the link to the corresponding view is embedded

Exceptions	Alert	Favorite View	Version
4	Batch alert	Shelf life planning	Base Version

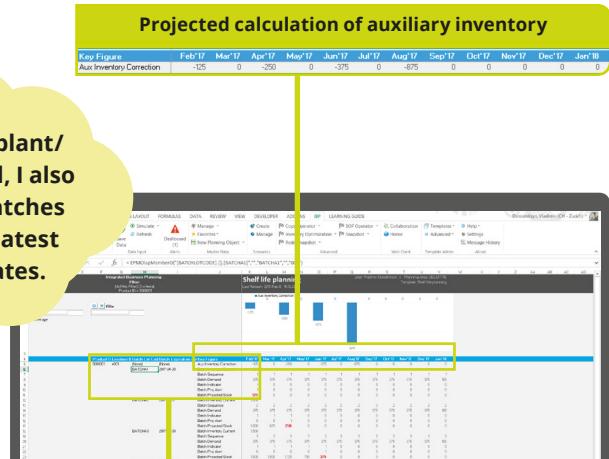
Supply planner

Monitor → Alert → Collaborate → Re-plan

Analyzing my inventory shelf life on a batch level...

The shelf life planning screen helps the supply planner to assess exceptions, which highlight the projected stock running out of shelf life on batch level.

Now I see the details on plant/product/batch level. Good, I also notice the red marked batches with the corresponding latest shipment and expiry dates.



A yellow callout box highlights the "Batch level stock details" table in the screenshot above. This table provides detailed information for a specific product, location, and batch.

Product ID	Location	Batch Lot Cod	Batch Expiration Date	Key Figure
5000001	4001	(None)	(None)	Aux Inventory Correction
		BATC1A1	2017-04-30	Batch Inventory Current
				Batch Sequence
				Batch Demand
				Batch Indicator
				Batch Proj Alert
				Batch Projected Stock

Monitor Alert Collaborate Re-plan

Checking results of my re-planning...

The inventory on product level is corrected to take into account all batches that have run out of shelf life. This way, the net demand can be recalculated and the supply quantity balanced accordingly.

I have my supply re-calculated considering out-of-shelf-life batches. Ok, I've managed to better balance "real" supply and demand! Well done to myself!



Net demand quantity after re-planning

Key Figure	Oct 17	Nov 17	Dec 17	Jan 18	Feb 18
Inventory On Hand Qty					300
Short Dated Inventory	0	0	0	0	0
Requested Total Receipts	375	375	375	165	165
Projected Inventory Qty	1'625	1'250	875	710	500
Net Demand Qty		375	375	165	165
					Total 1'080

Supply planner

Re-plan

And finally letting my finance manager go over the numbers...

Aha! Finally I can see how much will cost the inventory write-offs and plan provisions accordingly. Sounds brilliant!

Financial provisions for expiring batches



Finance
manager

Monitor Alert Collaborate Re-plan

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