



An SAPinsider Company







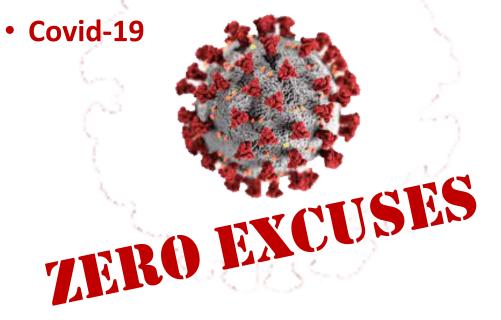
EAM / SCM Mission

The Right People, Parts & Tools at the Right Place and Time.

2020 – The Year of Opportunity

New Organization – New Goals

- Denbury Restructured its Debt
- Planning / Scheduling & Warehousing Became One Group





ee top stories and the latest information on coronavirus (COVID-19) prevention, symptoms, and treatment from health authorities

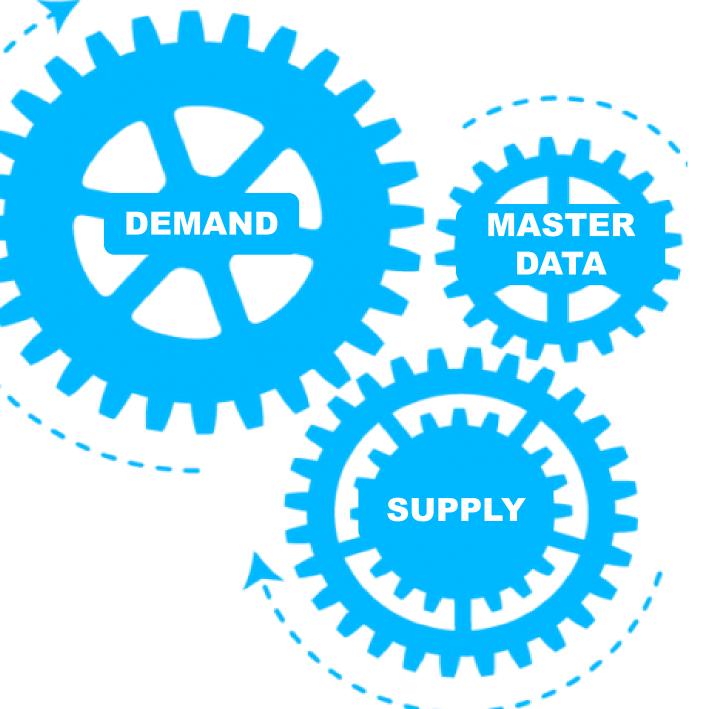
PROCESS IMPROVEMENT



(FUNCTIONAL INTEGREATION TEAM MEETINGS)

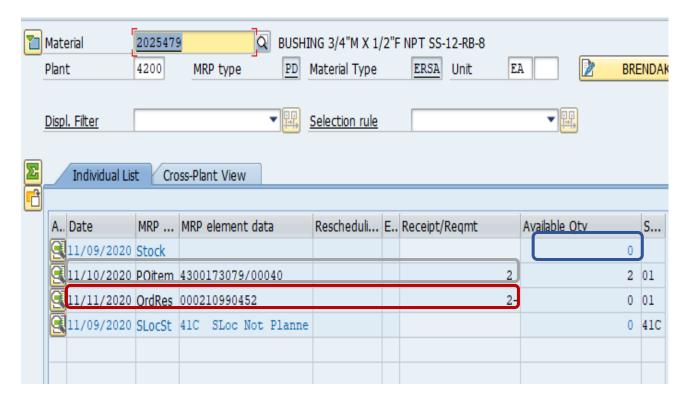
DATA DRIVES

- Work Prioritization
- Inventory Management Decisions
 - Inventory Optimization
 - Reduced "Dead Stock"
 - Reduced Administrative Tasks
 - Cash Flow Savings
- Vendor Selection & Management



UNDERSTANDING SUPPLY AND DEMAND MD04

DATES DRIVE DECISIONS



Available Inventory

Supply- Driven by PO Delivery Date

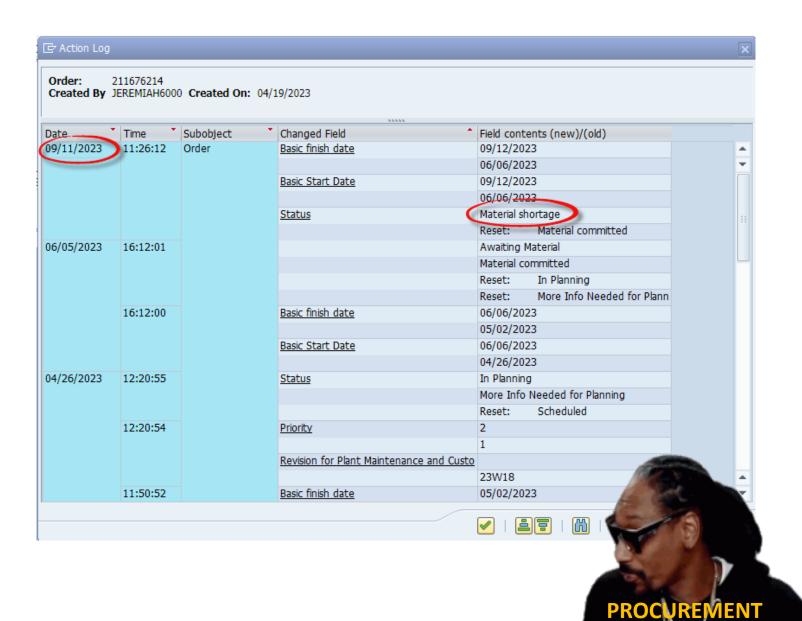
Demand- Driven by Work Order Priority

Material Availability Check (Our Old Way)



vailability list for materials for operations Regmt Date 🗘 Earl.start date OpAc Item Material Material Description Received p Regmt Qty Unit 2 Quantity £ 67.000 H 67.000 17 JO 0 17 3 CAN 207,905.650 427,646 LB 4,620 207,905.650 190 190 MI 190 223 353 PAA 24 353 99 PAC 94 70 21 PL 12 30 RL 12 22 06/06/2023 57 1 EA L 211676214 replace blow case float assembly Sec 7 09/12/2023 0010 0010 2027127 SWITCH LEVEL DUMP VALVE OPERAT LS200NDVO 19/05/2023 답 200.00 FT 0.00 200.00 211605933 300 scrubber add heat trace and insul 09/15/2023 0010 0050 2067157 HEAT SINK:HT TRACE,15W/FT 240V 100.00 FT 0.00 100.00 300 scrubber add heat trace and insul 0010 0010 2067154 HEAT SINK:RTES ENDSEAL KIT 1 EA 00 L 1 EA 300 scrubber add heat trace and insul 0010 0020 2067155 TAPE, HEAT TRACING: ALUM, AT-18 0 00 L CO L 300 scrubber add heat trace and insul 0010 0030 2067156 TAPE, HEAT TRACING: FIBRGLASS, PT-66 1 EA 0 211605934 180 flare stack bridle and disch line 0010 0040 2067157 HEAT SINK:HT TRACE,15W/FT 240V 100.00 FT 0.00 100.00 180 flare stack bridle and disch line 2 EA 00 L 0010 0050 2058402 KIT POWER CONNECTION 180 flare stack bridle and disch line HEAT SINK:RTES ENDSEAL KIT 1 EA 00 L 0010 0010 2067154 0 00 L 00 L Stock/Requirements List as of 11:33 hrs **₩** Show Overview Tree | 🔉 | 🗗 📅 💯 CO L 211690430 00 L Material 2027127 SWITCH LEVEL DUMP VALVE OPERAT LS200NDV... COE L 211696425 MRP type Plant 4200 Material Type ERSA Unit EA ○○■ L **MD04** 00 L 00 L 00 L ○○**□** L Cross-Plant View Individual List 000 L CO L 211702988 Rescheduli... E.. Receipt/Regmt Available Qty S... Work Order Description A.. Date MRP ... MRP element data Priority fr... Plant... @09/11/2023 Stock 0 909/12/2023 OrdRes 000211676214 1-1-01 replace blow case float assemb Medium 361 09/11/2023 SLocSt 01C SLoc Not Planne 0 01C 211704362 09/11/2023 SLocSt 41C SLoc Not Planne 0 41C

Let's Dig a Little Deeper

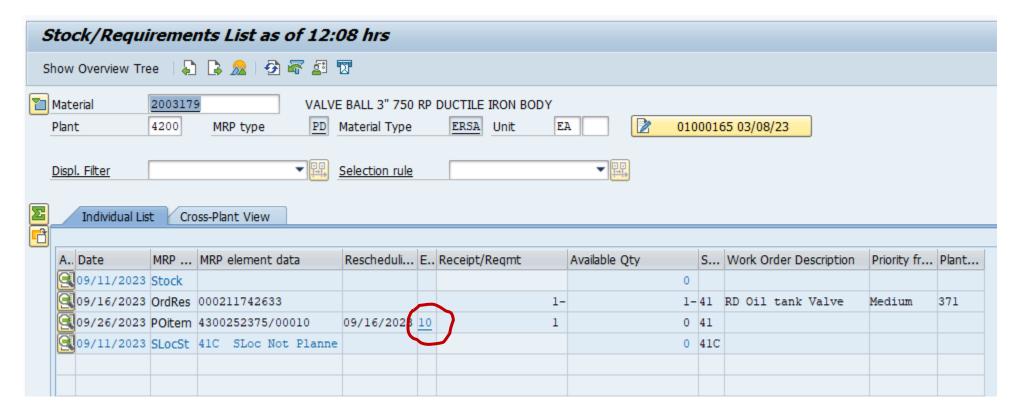


RE YOU SÉRIOUS?

There MUST be a better way...



Remember MD04?



THESE NUMBERS MEAN SOMETHING!

First Things First – Managing By Exception Through STANDARD SAP MRP Exceptions

Top Priority (Reactive)

Supply Issue
Demand Issue
Supply Issue
Supply/Demand Issue

Finding Tomorrow's

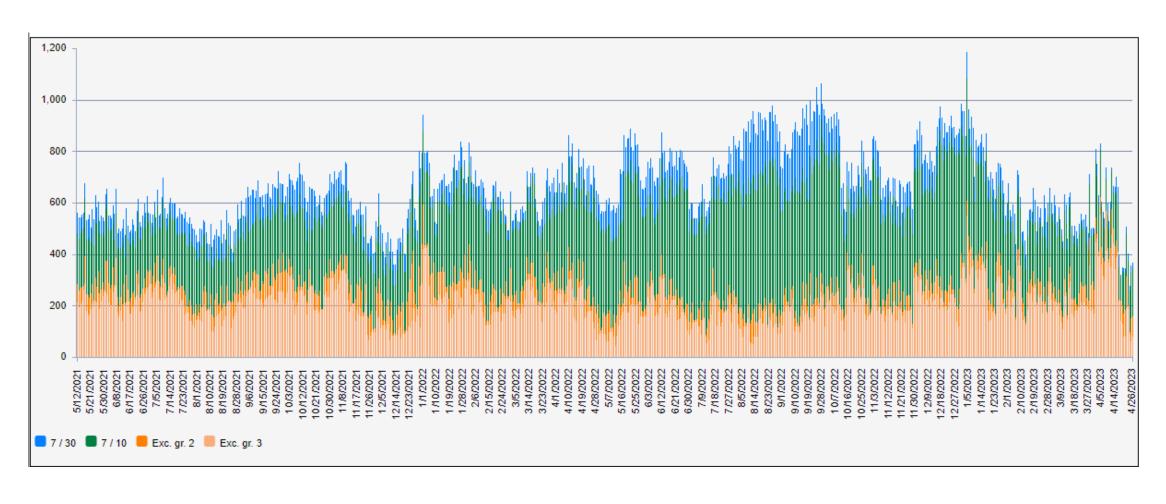
Problems Today

(Proactive)

DAILY FIT STEPS ZMD06			
Step	Task	Group & Exceptions & Transaction	Who Attends? (Required / Optional)
1	Master Data Issues (Before the meeting if possible)	5 & 8	MRP Controller
2	Review 0:Unschld Emergency & 1: High Priority reservations	MB25- (Layout /WMAT) WMAT by Priority -> ZMD07	MRP Controller, Planner, Foreman, Purch. Coord
		"Find MRP Element" Tab	
		To Date = Today	
3	Demand in the Past (Find MRP Elements Tab)	Look at OrderRes Column Only	MRP Controller, Planner, Foreman, Purch. Coord
4	Start Date in the Past (Planned to Schedule)	2	MRP Controller, Planner, Foreman, Purch. Coord
5	Finish Date in the Past (Parts are Late)	3	MRP Controller, Planner, Foreman, Purch. Coord
6	Demand we need to address & Possibly Move WO Dates	7 10/30	MRP Controller, Planner, Foreman, Purch. Coord
		"Find MRP Element" Tab	
		To Date = Today	
7	Stuff that should have been delivered	Look at PO Item, PurchReq, SubcRqmt	MRP Controller, Planner, Foreman, Purch. Coord
8	Safety Stock Issues	6	MRP Controller, Planner, Foreman, Purch. Coord
	Reschedule Out (Parts are coming in too soon) 15		
9	Cancel the PO (Demand is gone) 20	7 15/20	MRP Controller, Planner, Foreman, Purch. Coord
10	New Propsals	4	MRP Controller, Planner, Foreman, Purch. Coord

^{*}Exceptions Happen When Supply Doesn't Line Up With Demand*

Exception Monitoring 2 Years Later



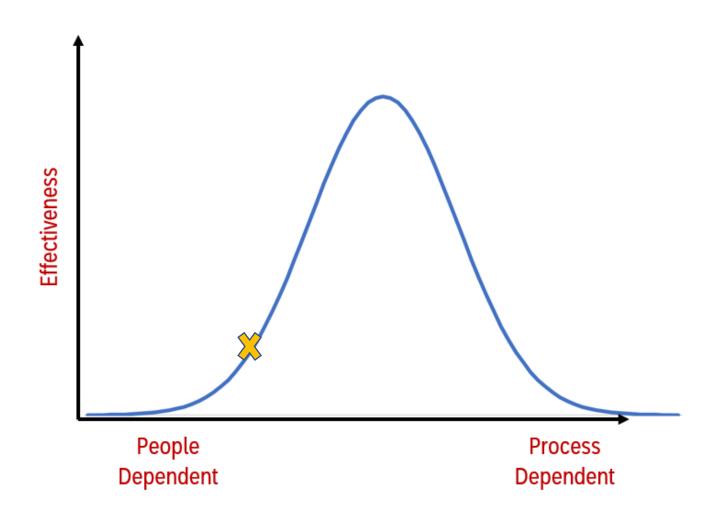


We Still Had Room to Grow



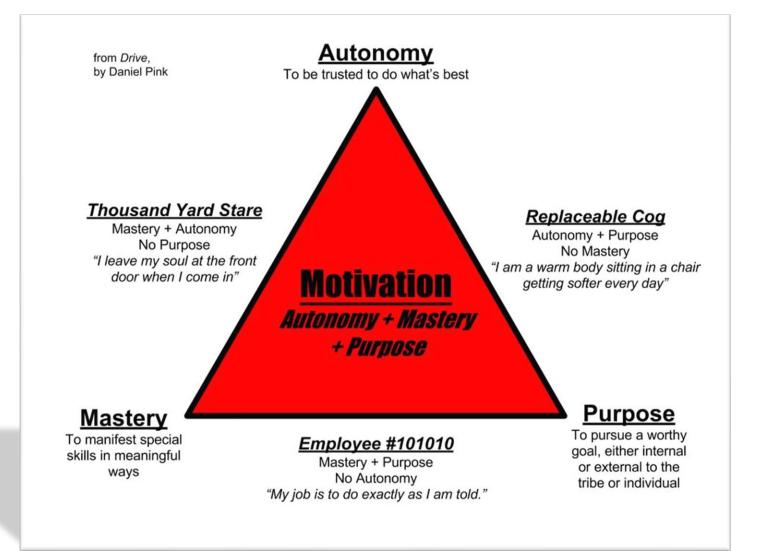
"What if we don't change at all ... and something magical just happens?"

Leader's Work



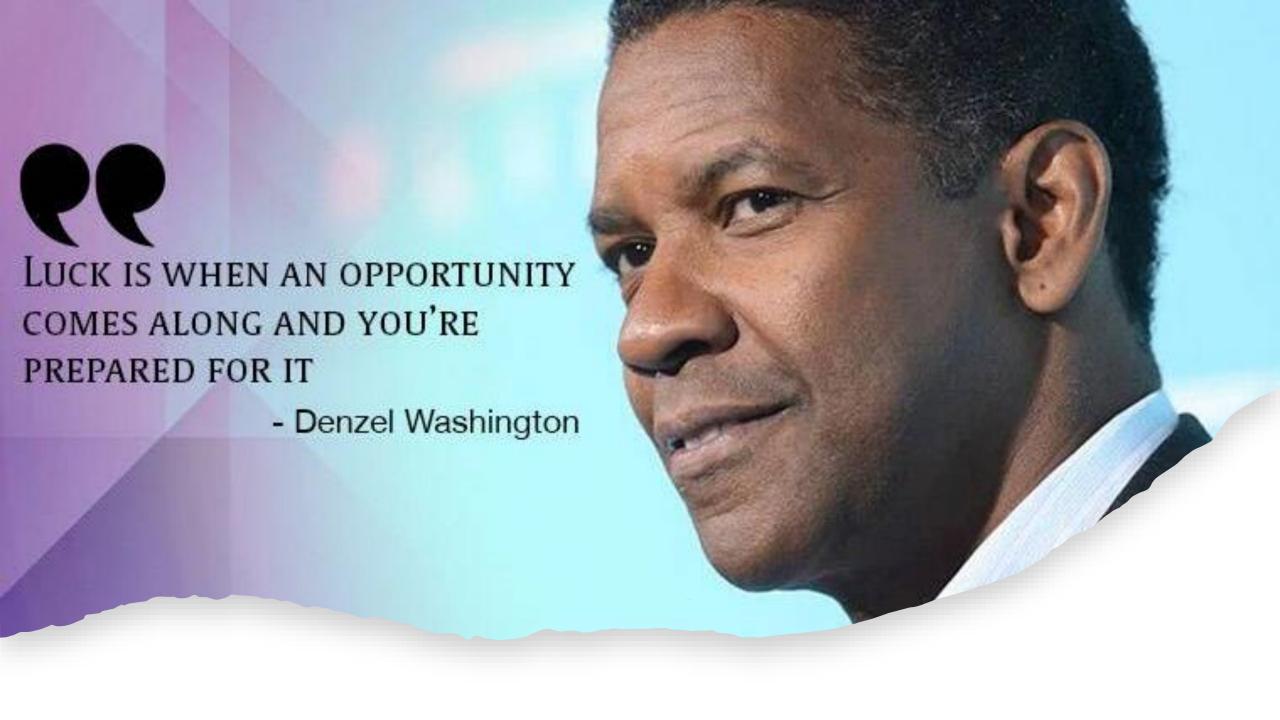
A Typical Procurement Team Meeting



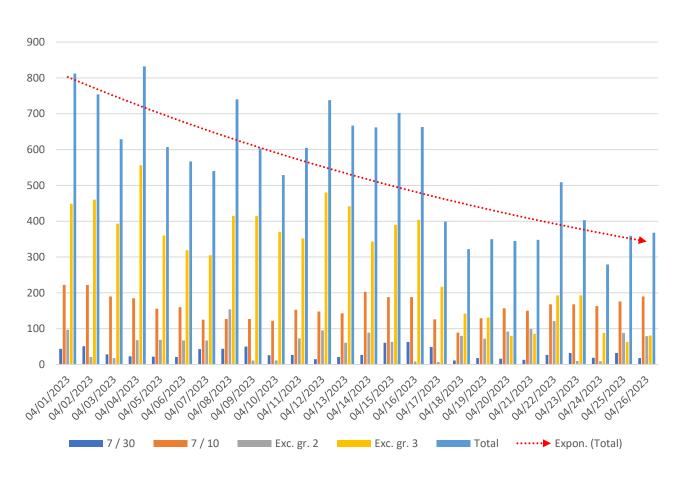


Soft Skills:

They're Important!



1 Month Later





How We Did it...





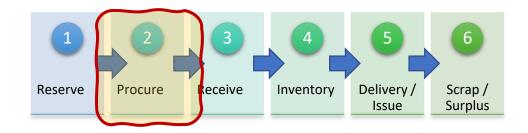
/ SANCTIONED!

The Standard Materials Management Process

5. Materials Management Requirements

When materials are required to perform work, the following steps must be followed.

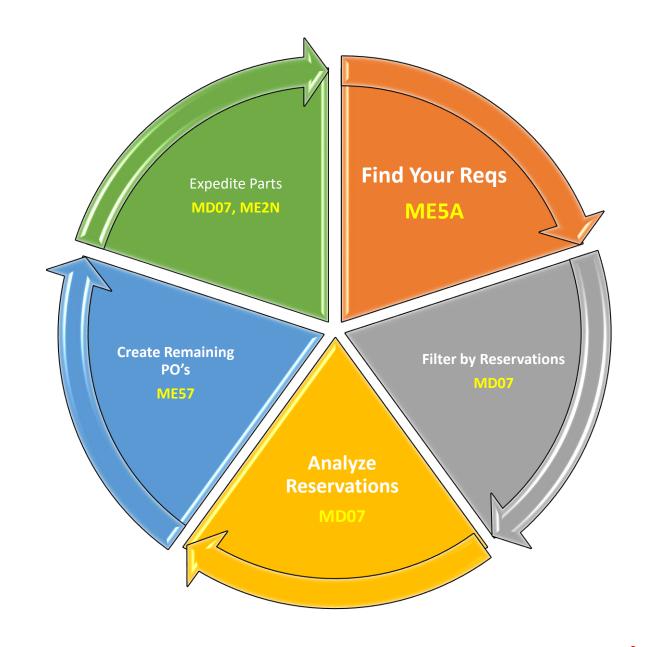
- ▶ 5.1. Reservation
- ▶ 5.2. Purchasing
- ▶ 5.3. Goods Receipt
- ▶ 5.4. Inventory Control
- ▶ 5.5. Goods Issue
- ▶ 5.6. Surplus & Unused Materials





Daily Procurement Steps





Quantity Unit Valn Price No. Release Dt Reg. Date Purch.Reg. Item A RS Grp Rel Material Short Text 5.00 GAL 29.91 05/25/2023 05/04/2023 100361391 | 40 F 05 EX | 2 | 2031960 CHEMICAL BIS XC102 55.00 GAL 05/10/2023 05/05/2023 100361629 90 K 05 EX 2 2029113 CHEMICAL PARAFFIN INHIBITOR PAO23-10 19.37 05/08/2023 05/05/2023 100361629 110 K 05 EX 2 2007159 CHEMICAL PARAFFIN INHIBITOR PAO3055-10 55.00 GAL 16.28 05 EX 2 2066421 PIPE:WLDED,12" X 0.688", TRUE SCH 80 05/08/2023 04/28/2023 100360475 10 200.00 FT 0.01 05 EX 2 2066422 FLANGE:RFWN, TRUE SCH80,12",900# 10 EA 0.01 05/08/2023 04/28/2023 100360476 10 7 EA 0.01 05/08/2023 04/28/2023 100360477 10 05 EX | 2 | 2066423 | ELBOW:TRUE SCH80, LR,90 DEG,12" X 0.688" 05/08/2023 04/28/2023 100360478 10 05 EX 2 2066424 TEE:12" X 0.688", TRUE SCH 80 3 EA 0.01 05/08/2023 04/28/2023 100360479 10 05 EX 2 2066425 PIPE:WLDED,16" X 0.843",TRUE SCH 80 42.00 FT 0.01 05 EX 2 2066426 FLANGE:RFWN TRUE SCH80,16",900# 05/08/2023 04/28/2023 100360480 10 2 EA 0.01 05/08/2023 04/28/2023 100360481 10 05 EX 2 2066427 ELBOW:TRUE SCH80, LR,90 DEG,16" X 0.843" 2 EA 0.01 05 EX 2 2066428 REDUCER: CONC, TRUE SCH80,16" X 12" 2 EA 05/08/2023 04/28/2023 100360482 05 EX 2 2066705 TRANSMITTER, PRESSURE: IGP10-T22C1F-M2L1 2 EA 05/08/2023 05/03/2023 100361116 10 05/08/2023 05/04/2023 100361304 10 2004690 NIPPLE 1/2"x 4" XXH 24 EA 0.01 05/08/2023 05/04/2023 100361305 10 05 EX 2 2004695 NIPPLE 1"X 3" S160 24 EA 05/08/2023 05/04/2023 100361306 10 2004883 FLANGE WELDNECK 3" 1500 RTJ S160 CS 12 EA 0.01 05/08/2023 05/04/2023 100361317 10 05 EX 2 2065746 VALVE SOLENOID ASCO 1/4 X 3/32 BRASS 1 EA 190.00 05/08/2023 05/04/2023 100361318 10 05 EX 2 2066592 PAINT:PT,CUCOAT 3 EA 0.01 05/08/2023 05/05/2023 100361583 10 2066729 TAPE,LABEL:CRTRG,1-1/2",30,0.004",VINYL 10 EA 0.01 05/08/2023 05/05/2023 100361585 10 2066743 TANK, STORAGE: BLK DAY, 30 GAL, CS 1 EA 05/08/2023 05/05/2023 100361586 10 2066744 STAND:BLK STAND F/ 30 GAL DAY TNK W/ STR 1 EA 0.01 05/08/2023 05/06/2023 100361700 10 2004783 GAUGE, INDUST 4"FACE 2000 PSI 1/2" 20 EA 82.00 05/08/2023 05/06/2023 100361701 10 2030794 WIRING DEVICE, RECEPTACLE 20A 125V IVORY 10 EA 1.80 05/08/2023 05/06/2023 100361702 10 2065556 DRILL BIT, KLEIN 53112 1/4 JOBBER 6 EA 4.71 2065557 DRILL BIT, KLEIN 53120 3/8 JOBBER 05/08/2023 05/06/2023 100361703 10 8.11 2052660 PADLOCK BRASS KEYED ALIKE 2-3/4" SHACKLE 05/08/2023 05/04/2023 100361248 10 05 EX 2

STEP 1: Find Your Requisitions (We Use ME5a)



Open Requisition List in ME5A

- Copy all MID's from ME5A and paste into ZMD07
 - We created a Z transaction to add Materials on the selection Screen.
 - You can skip this step and go to MD07 as well.

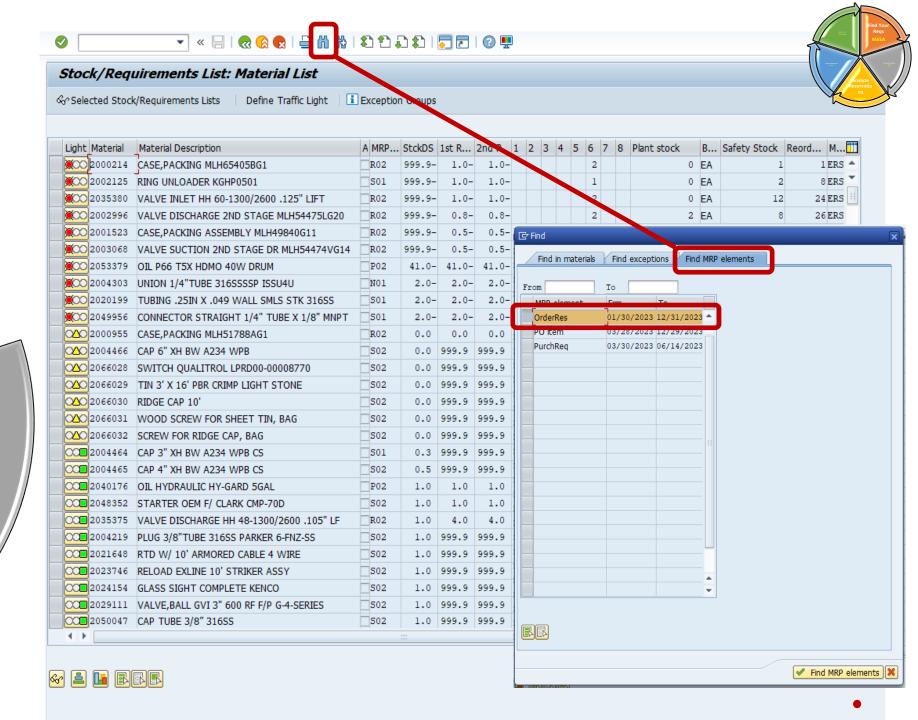


Step 2: Paste Your MIDs from Step 1 in MD07

 Filter out Order Reservations

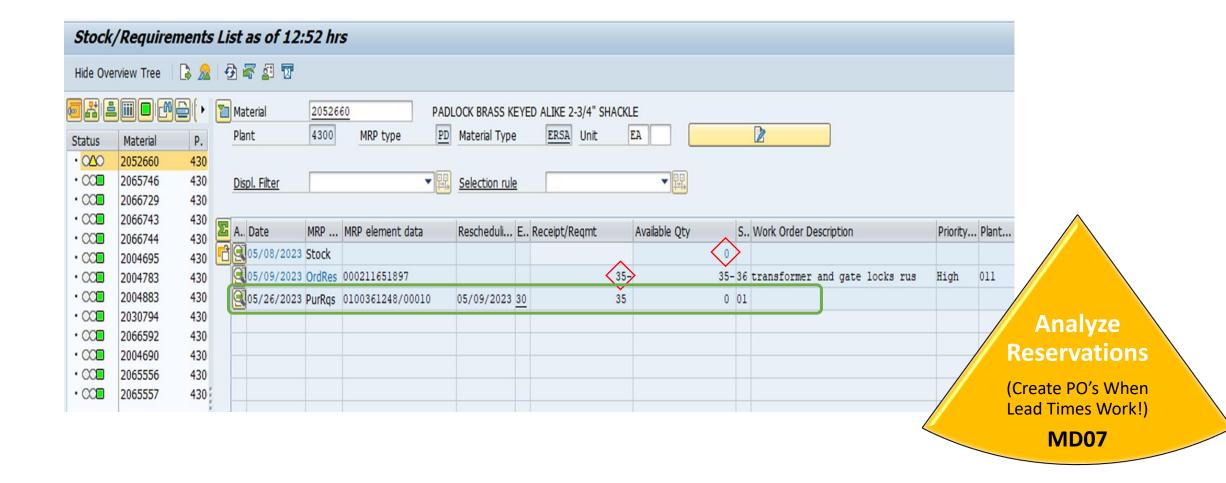
> Filter by Reservations

MD07



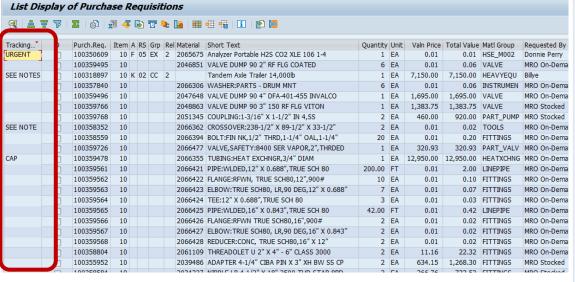
Step 3: Analyze The Data

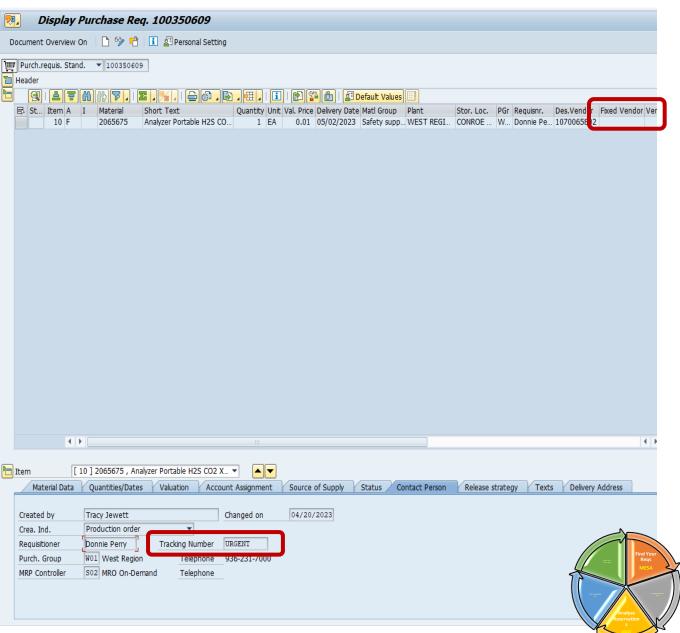
- Compare Available Stock to the Demand Date.
- If we need the materials for the reservation & the Lead time works, cut the PO... **NOW!**
- If the Lead Time Doesn't Work- It's Time to **HUSTLE!** (Step 3a)



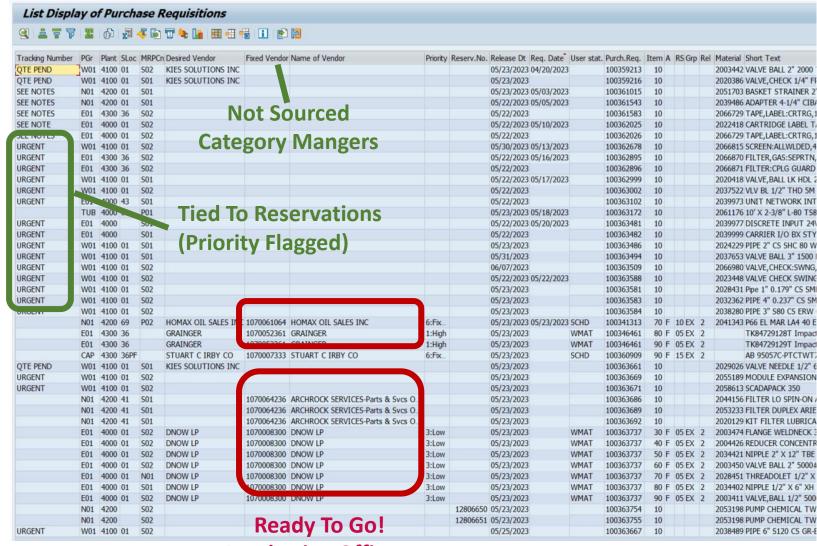
Step 3a-Prioritize Lead Time & Sourcing Issues to Category Managers & Local Leadership.







Visibility Drives Accountability





Purchasing Officers

You Have Officially Prioritized Reqs.



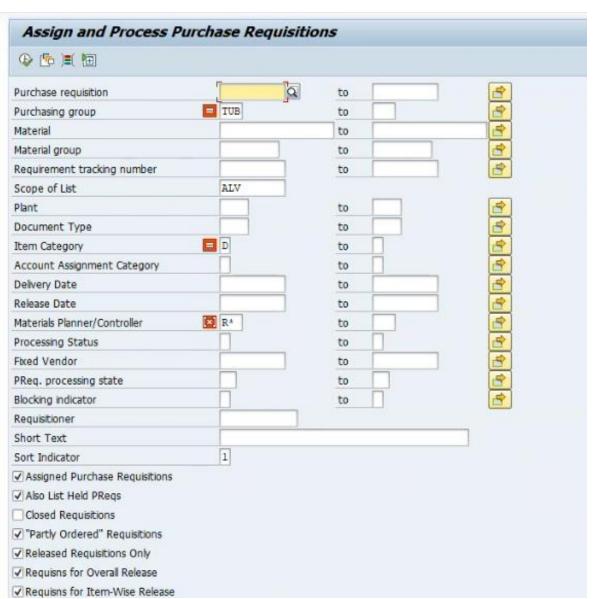


STEP 4 GO FAST!:

Group Remaining Requisitions & Cut PO's in ME57

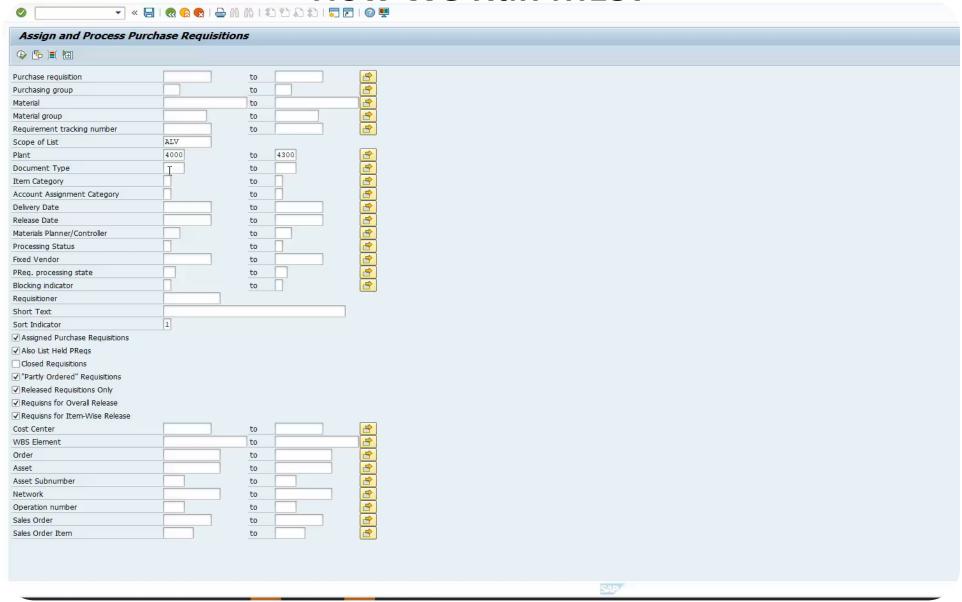
- These <u>lower priority</u> requisitions will be for:
 - Reorder Points / Safety Stock
 - PO's that will be on time (if not already cut)







How We Run ME57



Next Steps...

AUTOMATION

- Annual Programs (PM & Spares)
- Outline / Purchase Price Agreements
- Source Lists
- Hourly MRP Runs Followed up By Auto PO Run
- Invite me back and I'll Tell this story next year!







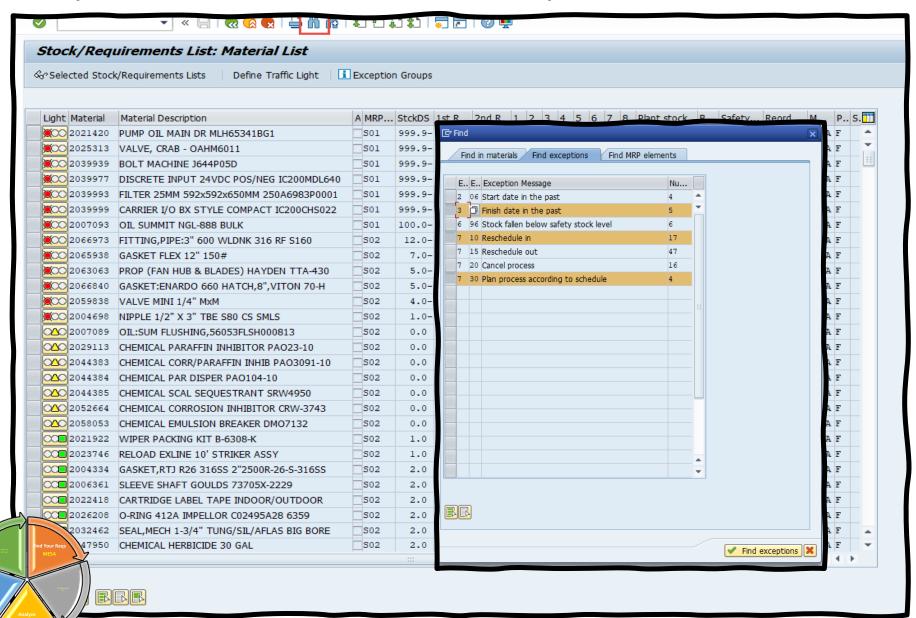
That's it.

Really!





Step 5: Run MD07 & Expedite Materials



Expedite Parts MD07, ME2N

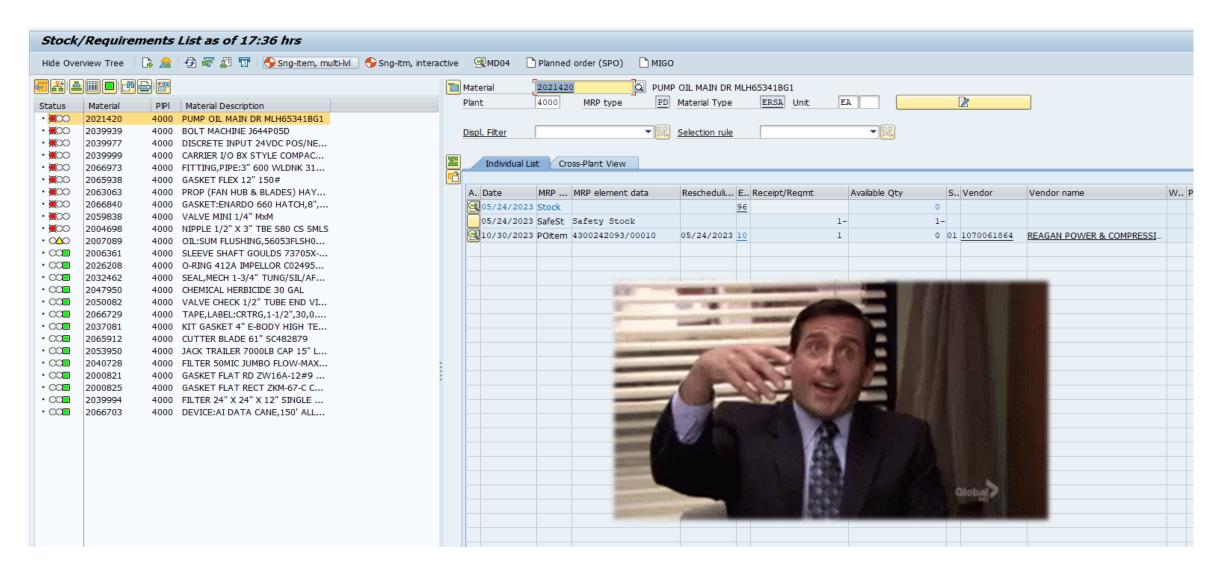
Exception Groups

- 3- Delivery Date is Already in the Past & You have Demand!
- 7 You're inside your lead time!

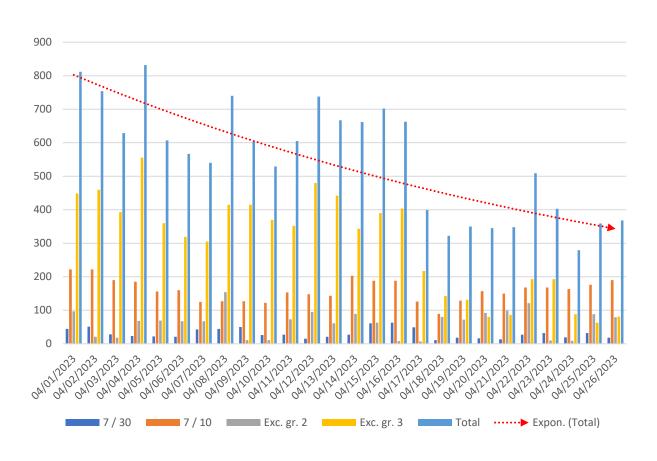
HUSTLE!



Here's the Short List!

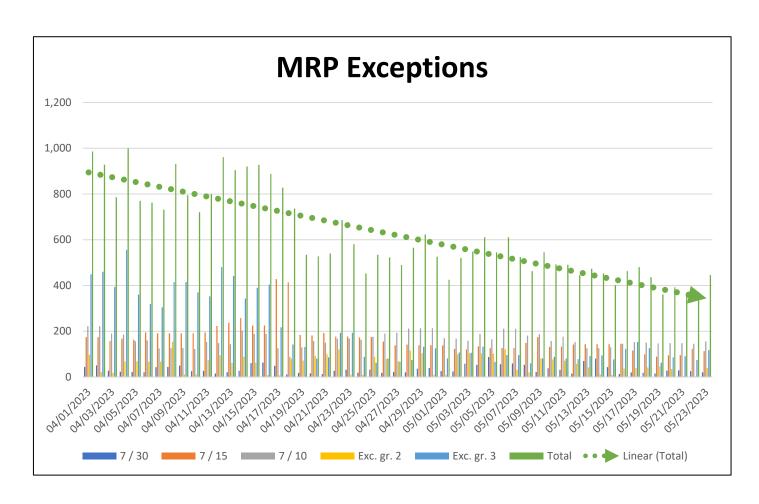


This Actually Happened in 30 Days





Here's a 60 Day Look

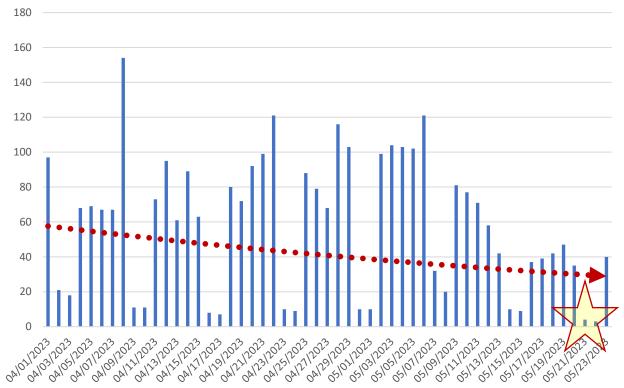




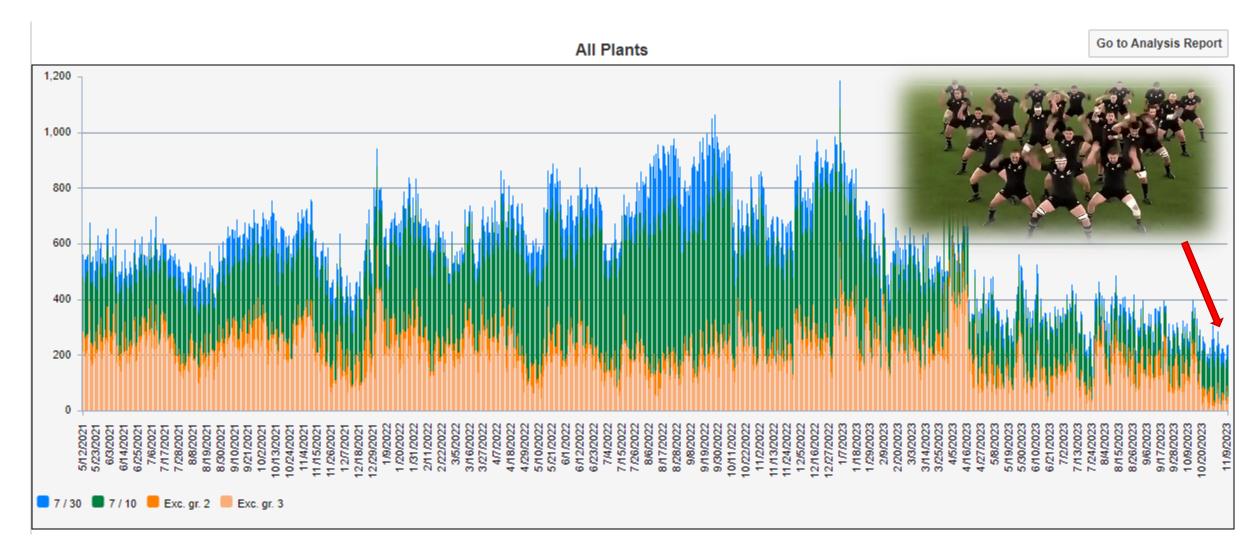
LATE ORDERS

MRP Group 2 – Late Orders





11.09.23 EXCEPTION REPORT



BOB'S YOUR UNCLE!

