

Calculating Lead Time & ROP/ROQ

A quick and effective process to help your business optimize key pieces of your master data.



Establishing and maintaining reorder points and reorder quantities is an important process that should be calculated monthly to ensure capital is invested as effectively as possible.

However, 9 in 10 businesses never calculate reorder points. They are simply established by staff and generally only changed if a problem occurs. This is an expensive way to utilize working capital, especially when >40% of purchased materials are never consumed.

What we offer

Our ROP & Lead Time Calculation Review will give you valuable insights into the performance and behaviors of your MRO materials, as well as provide you with recommend changes. Our report will include a load file for your ERP system.

If you have never calculated your ROP settings, we will guarantee that our review **will pay for itself, or it is free.**

Focus Areas



- 1. Master Data Min/Max vs ROP/ROQ:** We provide Min/Max and ROP/ROQ values; explaining the difference and impact of each.
- 2. Material Segmentation:** Our recalculation segments all the materials into groups based on consumption, lead times, and purchase price behaviors.
- 3. SLOBEX Analysis:** All businesses have slow-moving materials, potentially obsolete materials, and materials with excess stock. Our analysis will provide you with this information and action.
- 4. Recommendations:** The outcome from our analysis will provide:
 - Stock / Not Stock recommendation
 - Calculated ROP (Min) & ROQ (Max)
 - Demonstrated Lead Times
 - Available options to maintain master data regularly, with minimal effort.