



## Distribution Requirements Planning (DRP)

Time-phase purchase and warehouse transfer order planning. Implement just-in-time strategies to minimize obsolete items and reduce carrying costs for items, kits, and kit components.

- Time-phased inventory plans
- Kit assembly suggestions and kit component supply recommendations
- Optionally drive inventory plans from forecasts

### Key business benefits

- Know which kits to build and when to build them based on actual or forecasted demand.
- Ensure components are available when required for kit assembly.
- Access recommendations to defer, expedite, or delete supply orders when demand changes.
- Identify late orders and display any transfers that are available from another warehouse.
- Drive inventory plans from defined or historical demand forecasts.

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## Satisfy Customer Requirements While Maintaining Optimal Inventory Levels

Generate time-phased plans for optimal inventory availability. Reduce inventory, improve customer service, and avoid shortages and stock-out scenarios that result in costly rush orders. DRP enables wholesale distributors to set and maintain stock levels with a consolidated view of demand in user-defined time buckets with recommended actions based on supply and demand transactions or forecasts.

### DRP DISPLAY

- Manage by exception to identify what needs to be purchased, transferred, or assembled from a single screen.
- All supply and demand can be viewed from a centralized location.
- Purchase, transfer, and kit assembly orders are created directly from this screen.

### FULL REGENERATION

- Schedule inventory plan regeneration to run anytime.
- All existing planned orders for all items are eliminated.
- DRP starts over, calculating gross and net requirements. It then replans the required inventory to be purchased or transferred.

### EXCEPTION MESSAGES

- Know which orders to move-in or move-out when demand changes.
- Identify orders that should be cancelled when they are no longer required.
- Expedite orders for inventory items that have demand within vendor lead times.

“Having that stock control is incredible. That's put us at the forefront, especially in the craft beer industry. Now we can track it all; everything we do is in Acumatica. Whatever information we want, we can have it at the click of a button and that's the key to our success. We know what's in each warehouse and when goods are sold.”

– Colin Gilhespy, Co-Owner and Managing Director, Cave Direct

> CUSTOMER STORIES

## Varied Strategies

Acumatica includes robust inventory replenishment to define min and max order quantities, reorder points, seasonality, lead times, safety stock, and forecast models to calculate replenishment. Inventory replenishment may be used for specific inventory items, such as low-cost, high-volume items, while DRP may be used for other items that require manual demand forecasts, kitting, or time-phased inventory planning.

## Forecasting

Forecasts can be calculated or entered manually. These forecasts can be dependent and consumed by sales orders, or they can be independent. Input forecasts as one-time, weekly, monthly, or yearly.

## DRP Planning Detail

Review and execute the complete time-phased inventory plan through DRP inventory planning screens that show all activity, orders, requirements, balances, and recommendations for each inventory item.

## Multi-Warehouse

Manage procurement and transfers across warehouse locations. DRP suggests planned orders that drive requirements throughout your organization to supply warehouses down to your vendors.

## DRP Days Supply

Define planning buckets to consolidate demand into single purchase orders. Planned period sizes are defined by item class, stock item, or item and warehouse combination.

## Grace Period

Set a grace period for the number of days after receipt where a supply transaction is considered to meet the requested date for item demand.

## Manage by Exception

Access DRP exception messages for recommendations to defer, delete, expedite, or place on hold actual or firm purchase or transfer orders based on refreshed data in the system. Exception messages further aid planners with information such as available transfers, notifications for orders without scheduled shipment dates, transfers without replenishing warehouses, and circular transfers.

## Demand Time Fence

Specify the demand time fence to control which data the system uses for inventory planning. The demand time fence is the time from the inventory planning date during which the forecast is no longer included in the total demand and projected available inventory calculations. During this time, the system considers only customer orders for inventory planning. Beyond this time, the greater value of dependent forecasts and actual demand drives planning.

## Transfers

Balance supply and demand for planned inbound and outbound transfer orders across warehouse locations.

## Blanket Sales Orders

As forecasted demand, blanket sales order lines for future dates are included in DRP planning. Child sales orders released from blanket orders are processed as normal sales order demand.

## Order Quantities

DRP uses safety stock and reorder point levels to determine quantities for planned orders. Further, users can set minimum and maximum order quantities for suggested orders or preferred supplier order quantities. Lot sizes are used to smooth demand quantities by defined multiples. For example, a lot size of 5 and demand for 37 units would result in a planned order for 40 (rounded up from 37 in a multiple of 5).

## Order Lead Times

DRP respects vendor lead times defined in inventory for purchased items. Users can set additional lead time when the product may need to be quarantined and inspected before it is moved to an on-hand warehouse location. Lead times are also defined for transfers between warehouse locations.

## DRP History and Audit

Benchmark previous DRP generations to evaluate past DRP performance to understand if generation times varied due to larger date ranges, setup issues, or other factors.

## Kits and Components

Generate suggested kit assemblies based on forecasts or actual sales order demand. DRP will suggest planned purchase orders and warehouse transfer orders for kit components required for stock or non-stock kit assemblies.

## ABOUT ACUMATICA

Acumatica Cloud ERP is a comprehensive business management solution that was born in the cloud and built for more connected, collaborative ways of working. Designed explicitly to enable small and mid-market companies to thrive in today's digital economy, Acumatica's flexible solution, customer-friendly business practices, and industry-specific functionality help growing businesses adapt to fast-moving markets and take control of their future.

For more information on Acumatica, visit [www.acumatica.com](http://www.acumatica.com) or follow us on [LinkedIn](#).