

# Master planning in Dynamics AX

JACOB RODER  
SR. SOLUTION CONSULTANT  
DYNAMIC CONSULTING  
[JACOB.RODER@DYNAMICCONSULTING.COM](mailto:JACOB.RODER@DYNAMICCONSULTING.COM)

@AXUG, #AXUGKY, #AXUGMRP

## Agenda

- Morning
  - Short Intro
  - Master planning basics
  - Master plan settings
  - Time fences
  - Coverage groups
  - Misc.
  - Forecasting
- Afternoon
  - Questions?

# Introduction

- Who am I?
- Which version are you on?
  - Pre- AX 4.0?
  - AX 4.0
  - AX 2009
  - AX 2012
    - R2
    - R3
- Who uses master planning in Dynamics AX
- Who trusts master planning results
- Who knows how to troubleshoot master planning behavior

# What is Master Planning?

- A grouping of business processes that includes the following activities: demand management, which includes the forecasting of sales, the planning of distribution, and the servicing of customer orders; sales and operations planning, which includes sales planning, production planning, inventory planning, backlog planning, and resource planning; amaster scheduling, which includes the preparation of the master production schedule and the rough-cut capacity plan.
  - APICS Dictionary

# Master planning basics



@AXUG, #AXUGKY, #AXUGMRP

# Net requirements

- Results of master planning / scheduling requirements
- Show amount supply, demand, and planned supply
- Form shows relationship between demand and supply (pegging)

Plan: DynPlan

Warehouse	Site	CW minimum	Minimum	CW maximum	Maximum	Coverage group	Planned order type
13	1		0.00		0.00	Group	Production
24	2		0.00		0.00	Group	Purchase order

Reference	Reference	Number	Item number	Requirement date	Expiration date	CW req. qty	Req. quantity	Accumulated
On-hand			D0001				11.00	11.00
Sales order	000702		D0001	12/14/2012			-5.00	6.00
Sales order	000721		D0001	12/14/2012			-5.00	1.00
Sales order	000699		D0001	12/21/2012			-21.00	-20.00
Sales order	000704		D0001	12/21/2012			-12.00	-32.00
Sales order	000698		D0001	12/27/2012			-20.00	-52.00
Sales order	000697		D0001	12/29/2012			-184.00	-236.00

Reference	Reference	Number	Item number	Requirement date	Req. quantity	Settled quantity	Qty. change
Planned production orders		019411	D0001	11/25/2015	799.00	12.00	



@AXUG, #AXUGKY, #AXUGMRP

# One plan vs Two plans

## One plan

Same plan between static and dynamic

Ad-hoc updating of net requirements or explosions affect the main plan

Static plan changes throughout the day as users update net requirements

## Two plans

Different plans for static and dynamic

Ad-hoc updating of net requirements or explosions affect only the dynamic plan

Static plan remains static until nightly regeneration of plan creates new orders

# Master plan setup

## General

Inclusion of specific inventory transactions  
Consider shelf life  
Planned production scheduling parameters  
Sales forecast settings

## Time fences

Same time fences as coverage groups  
Used to override coverage groups

## Futures messages

Used to specify if requirement date should automatically update to calculated futures date

## Action messages

Used to specify if requirement date on planned order should be automatically updated to action date

## Safety margin

Receipt margin  
Issue margin  
Reorder margin

# Master planning parameters

The screenshot shows the 'Master planning parameters' configuration window. It is divided into several sections:

- General:** Dynamic and static plan, Default coverage group, Dynamic negative days, Calendar.
- Planned orders:** Find trade agreements, Planned receipt time.
- Standard update:** Defaults for firming, Find purchase agreements.
- Plans:** Current forecast plan (Forecast), Current static master plan (Static Plan), Current dynamic master plan (Dynamic Plan).
- Coverage:** General coverage, Futures time, Use dynamic negative days.
- Safety margin:** Working days.
- Update:** Today's date calendar (Production).
- Performance:** Use of cache (Minimum), Number of tasks in background.

Navigation options on the left include: Planned orders, Standard update, Number sequences.

Footer: @AXUG, #AXUGKY, #AXUGMRP

# Time fences

The diagram illustrates the time fences for different planning parameters. The horizontal axis represents 'Time'. The parameters and their respective time fences are:

- Firming:** Shortest time fence.
- Freeze:** Slightly longer time fence.
- Futures:** Longer time fence.
- Action:** Longer time fence.
- Capacity:** Longer time fence.
- Explosion:** Longer time fence.
- Coverage:** Longest time fence.

Footer: @AXUG, #AXUGKY, #AXUGMRP

## Time fences, cont.

Based on requested ship date

Capacity and explosion time fences have most significant impact on performance

Past capacity time fence, inventory lead times are used to calculate order date

Recommendation for coverage time fence on purchased items: no longer than twice the longest lead time

## Coverage groups

Used to plan similar items similar ways

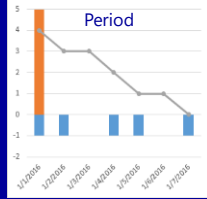
Determine time fences and planned order behavior

Negative days and positive days

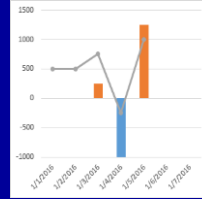
# Coverage codes



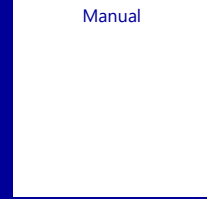
Each uncovered demand drives a planned supply  
Can use order multiples to optimize



Coverage period of 6 days  
Demand is satisfied on the first requirement date and looks out entire coverage period



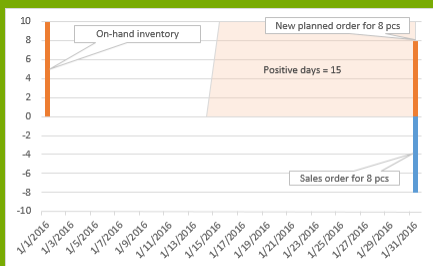
Min of 250, max of 1000  
Once accumulated value falls below min, an order big enough to bring accumulated up to the max is generated



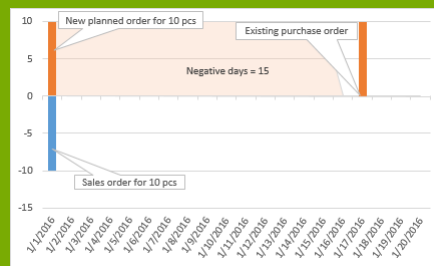
Net requirements are not calculated for these items

# Positive and negative days

## Positive days



## Negative days

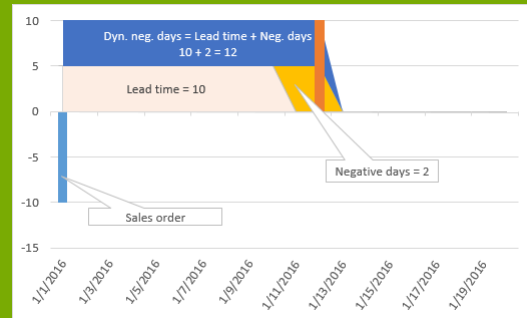


## Dynamic negative days

Available in versions 2009 and after

Reduce need for coverage groups for different lead times

Dyn. neg. days = Lead time + neg. days



AXUG  
chapter

@AXUG, #AXUGKY, #AXUGMRP

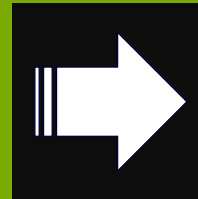
## Approved planned orders



Used to indicated orders have been reviewed and should be acted on



Are not deleted by "Delete plan" or "Regenerate"



Intermediate step between planned order and firmed order

AXUG  
chapter

@AXUG, #AXUGKY, #AXUGMRP

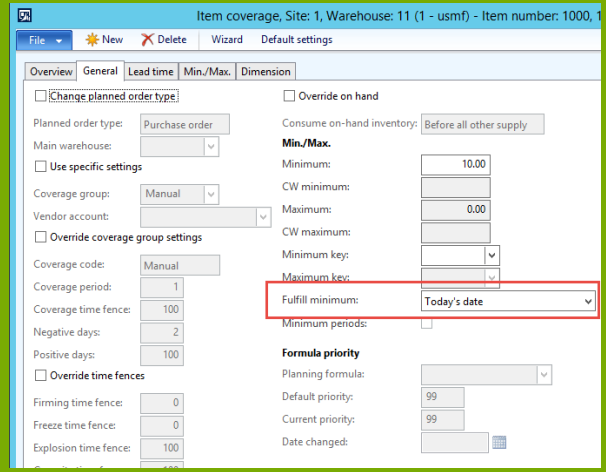


# Fulfill minimum

Changes requirement date of safety stock

Can negatively impact sales order explosions and futures dates

By default, set to "Today's date"



For a detailed example, check out this blog post:  
<http://dynamicconsulting.com/frontpage/i-have-on-hand-inventory-let-me-use-it>

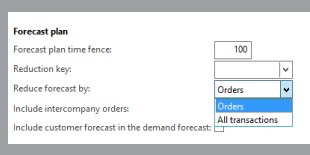


@AXUG, #AXUGKY, #AXUGMRP

# Forecasting

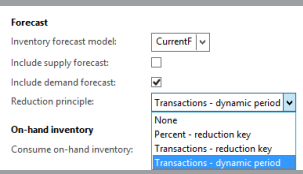
## Intermediate forecast

- Forecasts can be reduced at intermediate levels
- Use "All transactions" reduction key on coverage group



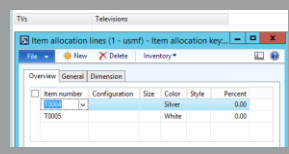
## Dynamic reduction principle

- "Transactions – dynamic period"
- Creates dynamic periods based on forecast date
- Controlled on master plan parameters



## Item allocation keys

- Used to forecast at a "product family" level
- Important with new R3 forecasting functionality
- Interesting for reporting / viewing stats on "Supply schedule" form



@AXUG, #AXUGKY, #AXUGMRP

## Questions?

JACOB RODER  
 SR. SOLUTION CONSULTANT  
 DYNAMIC CONSULTING  
[JACOB.RODER@DYNAMICCONSULTING.COM](mailto:JACOB.RODER@DYNAMICCONSULTING.COM)

@AXUG, #AXUGKY, #AXUGMRP

## Questions

### Lead times

- Where should lead times go? Trade agreements, item coverage, default order settings?
- What's the "disregard lead time" check box for?

### Calendars

- Which calendars control how master planning works?
- What about closed days or working days?

### Safety stock journal

- What are safety stock journals for?
- How are calculations performed?

## Links

Dynamic negative days – Roxana Diaconu (Program manager – Microsoft)

<http://blogs.msdn.com/b/axmfg/archive/2015/02/19/more-about-dynamic-negative-days.aspx>

Using multiple plans / recommended time fences – Conrad Volkmann (Program manager – Microsoft)

<http://blogs.msdn.com/b/axmfg/archive/2012/10/12/separating-tactical-and-operative-planning-for-master-scheduling.aspx>

My blog

<http://dynamicconsulting.com/author/jroder/>

My twitter

[https://twitter.com/jac\\_rod](https://twitter.com/jac_rod)



 @AXUG, #AXUGKY, #AXUGMRP